

# The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, NOVEMBER 3, 1927

## Announcing—

"A SYMBOL



OF SERVICE"

It is with pleasure that we announce to the insurance fraternity the *Republic Casualty & Surety Co.*, a stock company of strong financial resources coupled with an executive body of ripe experience and a successful record in the casualty and surety field.

On November 1st the Illinois Indemnity Company makes its final bow and will from that date be supplanted by the bigger and better organization, the *Republic Casualty & Surety Co.* With increased capital and a policy of complete, unlimited service to its repre-

sentatives and assureds, the *Republic* is destined to become one of the country's foremost companies of strength and security.

The *Republic Casualty & Surety Co.* is licensed in the states of Missouri, Iowa, Illinois, Indiana, Kansas and California. Excellent territories are available to men who are interested in becoming associated with an organization in which the opportunities are almost without limit. Write today for complete details regarding the agency plan of this company of strength and purpose. Do it now!



## REPUBLIC CASUALTY & SURETY CO.

General Office

St. Louis, Mo.

ESTABLISHED 1920

Wm. M. Baldwin, Pres. — J. D. DeBuchananne, Vice-Pres. — Paul L. Temple, Sec'y.

:: :: A STOCK COMPANY :: ::

## A Good Company for both Policy-holder and Agent

**A**N insurance company that is satisfactory to the policy-holder is, for that very reason, satisfactory to the agent.

Yet no one individual property-owner is likely to need all the forms of insurance that this Company provides.

So, when we say that this is "a good Company for the policyholder" we mean it is more than a good company from the agent's point of view.

For Philadelphia Fire and Marine, by the variety of insurance it writes, enables its agents to get much business that the average agent is not in a position to handle expeditiously.

Write for information.

## PHILADELPHIA FIRE and MARINE INSURANCE COMPANY

HEAD OFFICE:

1600 Arch Street, Philadelphia, Pa.

209 W. Jackson Blvd., Chicago, Ill.

200 Bush Street, San Francisco, Cal.

8th Floor, Hurt Bldg., Atlanta, Ga.



# The TOKIO

MARINE AND FIRE INSURANCE COMPANY, Limited

United States Fire Branch: 80 John Street, New York

J. A. KELSEY, General Agent GEORGE Z. DAY, Ass't Gen. Agt.

U. S.—Statement December 31, 1926

ASSETS .....	\$8,132,324.92
PREMIUM RESERVE .....	1,961,557.73
OTHER LIABILITIES .....	796,346.75
NET SURPLUS .....	5,369,419.54

Chicago Branch: 175 West Jackson Blvd.

Barton F. Walker  
Manager Brokerage Dept.

# 1794 1927

## THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA PHILADELPHIA, PA.

Fire—Lightning

Tourist Baggage

Inland Transportation

Use & Occupancy

Windstorm

Automobile

Parcel Post

Rent Insurance

Acquire

## THE OLD "STATE OF PENN"

OFFICE SYSTEM **The Rough Notes Co.** INSURANCE SUPPLIES



## S-E-R-V-I-C-E Pays a Handsome Profit

**SERVICE** to your policyholders, whether large or small, builds your business on a solid, substantial basis that yields a greater profit year after year. Render a personal and appreciated service by giving each policyholder a policy file, something that he may keep his policies and valuable documents in. Your card printed on each file guarantees your receiving full advertising value for each file given out.

**No. 99, Red Tag Policy File.** This envelope is made up of exceedingly tough texture and possesses enduring wearing qualities; at the same time it is light in weight. The low price makes it an excellent advertising medium. Size, 10¼ in. long by 4½ in. wide. Capacity, six to ten policies. Prices: 1,000 \$27.00; 500, \$14.25; 100, \$3.00; 50, \$1.65; 25, \$0.85; 12, \$0.45.

### Additional Charge for Imprinting

Prices quoted above do not include imprinting advertising card. Cards of not more than four lines will be imprinted at the following rates: 100 or less, \$1.50; 200, \$1.75; 300, \$2.00; 500, \$2.50; 1,000, \$3.50. Imprinting of cards of more than four lines or requiring special composition, will be billed at cost. Quotations on request.

**No. 97, Expansive Policy Files.** This style has sufficient expansive capacity to admit twenty-five or thirty policies and documents. The envelope is made of tough stock, having two bands of rubber at either end for holding policies securely. A record of companies, expirations, etc., is printed on the inside of flap. Prominent space is reserved for advertising card. Size, 4¼ in. wide by 10¼ in. long. Prices: 500, \$57.00; 100, \$12.00; 50, \$6.60; 25, \$3.30; 12, \$1.60.

For Sale by

**The National Underwriter Co.**  
1362 Insurance Exchange Bldg.  
Chicago, Illinois  
420 East Fourth Street, Cincinnati  
80 Madison Lane, Room 613, New York  
313 Iowa National Bank Bldg., Des Moines

INSURANCE OFFICE SYSTEMS SUPPLIES AND PUBLICATIONS

THE NATIONAL UNDERWRITER. Published weekly by The National Underwriter Company. Office of publication, 175 W. Jackson Blvd., Chicago, Ill. Thirty-first year. No. 44. Thursday, November 3, 1927. \$4.00 a year, 20 cents per copy. Entered as second class matter February 2, 1925.

# GLOBE & RUTGERS

## FIRE INSURANCE COMPANY

111 William St., New York City

January 1st, 1927

### ASSETS

Bonds & Mortgages .....	\$ 149,425.00
U. S. Liberty Bonds.....	518,200.00
Government, City, Railroad and other Bonds & Stocks..	59,564,972.90
Cash in Banks and Office.....	2,434,964.77
Premiums in Course of Collec- tion .....	8,827,461.77
Interest Accrued .....	111,020.32
Reinsurance Recoverable on Paid Losses .....	134,952.12

**\$71,740,996.88**

### LIABILITIES

Capital .....	\$ 3,500,000.00
Surplus .....	25,610,575.98
Reinsurance Reserve .....	21,162,599.90
Losses in Course of Adjust- ment .....	8,362,821.00
Commissions and other Items.	7,100,000.00
Reserve for Taxes .....	1,005,000.00
Reserve for Depreciation .....	5,000,000.00

**\$71,740,996.88**

**Surplus to Policy Holders - \$29,110,575.98**

□ □ □

### Progress since Consolidation in 1899

	ASSETS	RESERVE	SURPLUS
Dec. 31, 1899	\$529,282.59	\$28,832.54	\$2,028.94
Dec. 31, 1910	5,255,362.12	1,936,224.86	2,365,363.37
Dec. 31, 1920	42,765,374.55	16,593,764.16	11,361,311.89
Dec. 31, 1925	67,922,096.58	20,265,572.73	24,161,943.85
Dec. 31, 1926	71,740,996.88	21,162,599.90	25,610,575.98

□ □ □

E. C. Jameson, *President*  
 Lyman Candee, *Vice President*  
 W. H. Paulison, *Vice President*  
 J. H. Mulvehill, *Vice President and Secretary*  
 J. D. Lester, *Vice President*

W. L. Lindsay, *Secretary*  
 A. H. Witthohn, *Secretary*  
 A. G. Cassin, *Assistant Secretary*  
 J. L. Hahn, *Assistant Secretary*  
 W. J. Volkmann, *Local Secretary*



# A Business Asset



BY indicating a careful interest in important details, Parcels Post Insurance becomes a valuable asset to the man who carries it.

This seemingly small item is a great business asset to agents of this company, too. It is a symbol of thorough, reliable insurance service. Business men whose interests are watched by their agents down to the smallest detail, have full confidence in them when it comes to more vital policies.

But Parcels Post Insurance is a source of real profits as well to our agents. At this season of the year, they can sell many coupon books by just telling about the time, trouble and money that can be saved at an insignificant cost.

And Telling them about Parcels Post Insurance, is Selling them on a bigger, broader basis of complete insurance protection.

**THE LIVERPOOL  
AND LONDON  
AND GLOBE  
Insurance Co.**

Western Department  
CHICAGO

Pacific Coast Department  
SAN FRANCISCO

Executive Offices: 1 Pershing Square, Park Ave. at 42nd St., New York, N. Y.

THE NATIONAL INSTITUTION WITH A WORLD WIDE BACKGROUND



# The National Underwriter

Thirty-first Year, No. 44

CHICAGO, CINCINNATI AND NEW YORK, THURSDAY, NOVEMBER 3, 1927

\$4.00 Per Year, 20 Cents a Copy

## DISASTROUS EXPERIENCE FOR HAIL COMPANIES

Members of Hail Association Have  
Average Loss Ratio of  
75 Percent

### WORST YEAR SINCE 1916

Association Companies Assume Liability  
of \$150,383,000 and Sustain  
Losses of \$7,456,000

Hail writing companies suffered their most disastrous experience since 1916 during the season just closed. It is estimated that the average loss ratio for the companies affiliated with the Western Hail Association will be at least 75 percent and in individual cases the loss ratio will run as high as 200 percent. The nearest approach to this is the average loss ratio of 1916 which amounted to 97 percent. This year the companies lost the most money in Kansas, the other unprofitable states being Colorado, Oklahoma and South Dakota. The Hail Association companies assumed liability during the writing season of \$150,383,000 and sustained losses of \$7,456,000.

#### To Hold Annual Meetings

The annual meeting of the Western Hail & Adjustment Association will be held on Nov. 18 at which time the 1927 results will be discussed. The annual meeting of the executive committee will be held Nov. 17 and the yearly gathering of the advisory committee will take place Nov. 16. The advisory committee held several meetings last week and at its meeting on Nov. 16 will put its report in final shape for the executive committee which will meet on the following day. John Peterson, manager of the hail department of the Great American, is chairman of the advisory committee and E. A. Henne of the America Fore group is president of the Hail Association. For some years it has been the custom of the advisory committee to meet in advance for the purpose of going over the details and relieving the executive committee of routine.

#### Few Changes Expected

This year only a few minor changes will be proposed to the executive committee. Rate readjustments in some of the unprofitable territory will probably be made, and a few revisions in the wording of the policy contract, designed to clarify it, will be proposed. The recommendations of the advisory committee will not, however, contain any radical alterations.

The outstanding feature of the 1927 year's results is that the companies lost money this year as a result of disastrous hail storms, and not because of irregularities in loss adjustments, as has sometimes been the case in the past. Hail storms in western Kansas were unusually severe and frequent this year, and were almost as bad in Colorado and South Dakota. Conditions in the field

## APPLY RETALIATORY TAX UNDER NEW LAW OF OHIO

### KANSAS FIRST STATE TO ACT

Department Notifies Ohio Companies  
They Must Pay More There, Following Increase in Home State

TOPEKA, KAN., Nov. 2.—Commissioner Baker of Kansas is sending notices to the 13 Ohio insurance companies doing business in this state that they must pay 3 percent premium tax on business transacted in Kansas since the new Ohio law went into effect. The recent Ohio legislature enacted a law raising the premium tax in that state from 2½ to 3 percent. It may be that the legislators did not know that they were handing other states many thousand dollars in additional premium taxes.

There are only three Kansas companies doing business in Ohio, and the gross premiums last year were \$29,019. They have just been notified by the Ohio department that they must pay 3 percent tax on these premiums, which increases the payments of the Kansas companies only \$145 a year, assuming that the business is approximately the same this year as last year.

Kansas has the retaliatory law, which requires that when one state raises the taxes or fees for Kansas companies more than Kansas charges, the Kansas department automatically increases the fees and taxes of companies from the state making effective an increase in rates. The 13 Ohio companies operating in Kansas showed a gross premium income in this state of \$676,110 last year. While no definite report of the business is available just now, it is assumed from statements of agents of some of these companies that the business has been as good this year as last year, and possibly better. The fees and taxes of the Kansas department are already more than \$1,000,000 a year, and this little boost just piles up additional money for the state treasury.

showed a marked improvement, and there was to be observed a better spirit of cooperation among all hail writing companies. Loss adjustments were sensibly and fairly handled. The educational work that the advisory committee has done among adjusters, local agents and field men bore fruit this year, and there was a noticeable absence of competitive loss adjustments.

#### America Fore's Increase

A remarkable increase in premium receipts was secured by the America Fore group which wrote \$785,000 in premiums last year and will show a total of over \$1,300,000 this year. The loss ratio of all of the larger hail writing companies was too high to be profitable this year with the exception of the Great American, which will show a slight underwriting profit on its operations.

#### Canadian Experience Bad

The experience in Canada was as unfavorable as in the United States, the province of Alberta showing the heaviest losses. The companies writing tobacco business report an exceptionally good year, the experience being unusually favorable in Missouri and Wisconsin.

## CHRISTOPHER RETIRES FROM THE CALEDONIAN

### CLARK IS MADE MANAGER

Has Been the Assistant and Had a Fine  
Experience in the Field  
in East

General Manager R. Hill Stewart of the Caledonian, who has recently visited the United States branch at Hartford, announces that R. C. Christopher, United States manager, having expressed a wish to retire from active duty, the directors have agreed to release him as of Oct. 31, making suitable recognition of the long, faithful and important service he has rendered to the company. The directors regret very much to lose his valuable services, which they have always very highly appreciated, and join with the agents of the Caledonian and Caledonian-American, his associates and friends, in wishing him many years of happiness in the leisure which he has sought.

Mr. Christopher has been associated with the Caledonian for 35 years as general agent of the Middle Department, assistant United States manager, and became United States manager following the death of Charles H. Post in January, 1925.

#### Clark Is New Manager

General Manager Stewart further announces the appointment of Robert R. Clark as United States manager, succeeding Mr. Christopher. Mr. Clark has filled the position of assistant United States manager for the Caledonian and vice-president of the Caledonian-American since the death of Mr. Post, succeeding Mr. Christopher at that time.

Mr. Clark for many years served the interests of the Caledonian in New England as general agent, following which he was called to the home office as executive general agent, remaining in that position until the time of his appointment as assistant United States manager. Mr. Clark entered the insurance business with the well-known agency of William A. Muller & Co. of Boston, later taking up field work as special agent for the Newark Fire in the New England states, resigning from that company to become associated with the Caledonian.

Arthur H. F. Schumm has been appointed to succeed Mr. Clark as assistant manager. He has been associated with the Caledonian for 20 years, serving in the office underwriting department, and later as general agent in the Middle Department field. In 1926 he was called to the home office and appointed manager of the automobile department. In addition, he has assisted in general underwriting matters, particularly in his former territory.

Mr. and Mrs. Christopher will make a trip abroad, starting some time in December.

#### Camden's Dividend Plan

Beginning next year the Camden Fire will pay stockholders dividends quarterly on the first days of February, May, August and November. It has been further determined to pay an extra dividend of 5 percent to shareholders of record as of November 30 of the present year, checks to be mailed Dec. 15.

## VIEW YEAR'S BUSINESS WITH SOME OPTIMISM

Barring New Misfortune, Final  
Returns Should Prove  
Gratifying

### DISASTERS ARE OFFSET

General Situation Is Satisfactory—Some  
Disquieting Conditions Are  
Encountered

NEW YORK, Nov. 2.—Though eight full weeks yet remain before 1927 will have passed into history, and many happenings may occur within that time, company officials are even now beginning to cast up accounts for the year, and the showing to date is not an unfavorable one. Premiums generally, it is anticipated, will show a falling off, notably in New England and in the central west, but as an offset, losses are materially less than they were for the corresponding period of 1926, apart from those resulting from the damaging tornado at St. Louis and numerous hail storms in various sections of the west and the north-west. The tornado losses, however, have not been without a compensatory feature, in that the volume of business of this character has largely increased, new offerings being had not only from St. Louis and its environs, but from territory considerably distant from there. While a number of companies will pay sizable amounts as a result of the disaster, no one office has been badly hurt, the great majority writing the business having learned a lesson from the Miami hurricane of a year ago and protected themselves either through the medium of general reinsurance covers or by excess treaties.

#### Companies Well Entrenched

Generally speaking, fire companies today are pretty well entrenched against both conflagration and sweeping tornado claims, in that they have a greater spread of liability and carefully safeguard against excessive loss from any possible happening. Special reserves are set aside to provide for contingencies, and these amounts are constantly being augmented.

In addition to giving careful heed to general underwriting practices, studying classes and localities with the utmost scrutiny and not hesitating to change an agency when its record justifies such action, even though it means the immediate loss of considerable premium income, executives are interesting themselves in the matter of rate-making today to a degree previously unknown. So far as adjusting methods are concerned, the interest of the responsible men in the business in this important phase of operations continues unflagging. And to the intelligent exhibition of such interest and the adoption of reformatory practices, no little credit for the marked re-

duction in the fire waste of the country is unquestionably due.

#### One Issue Undecided

One big issue, perhaps the greatest, before the fraternity at this time is that of the proper method of computing underwriting profits. Whether the formula now employed with the sanction of the National Convention of Insurance Commissioners is to continue or the offices be forced in the future to take into reckoning the banking element of the business, will likely be determined, once the Supreme Court of the United States passes on the Missouri case against the fire companies operating in that state. The Missouri Supreme Court held that earnings upon companies' investments must be considered in the preparation of rates, a decision later endorsed in principle by the Supreme Court of Kansas. Challenging this conclusion, the fire companies have taken the matter to the highest tribunal, wanting the issue settled finally. Charles E. Hughes has been retained by the underwriters to argue their case. It is understood Mr. Hughes will especially press the question of interest earnings, so that it may be disposed of for all time. Should the Supreme Court of the United States hold with the Supreme Court of Missouri that the banking earnings are to be considered in the preparation of rates, it will be a task taxing the best brains of the fire insurance business to arrange an equitable method of allocating the credits to the different states and countries in which the companies operate.

#### Business Is Not Bad

While the general business of the country has fallen off to some extent in recent months, a condition evidenced by the reduced car loading reported by several of the prominent carriers, it is by no means bad, and gives every promise of holding up for some time to come. Within the past two weeks there has been a drop in the price of stocks listed upon the New York Exchange, but this was only to be expected and occasioned no alarm, being induced mainly by profit-taking. So long as money continues as free as it is now, there is little likelihood that there will be any material reduction in the price of standard securities, particularly well-selected rails and ably managed industrials.

Building operations, taking the country as a whole, are below those reported 12 months ago, but here again this should not be disquieting, simply indicating that the demand for new structures of all types has been met and that henceforward new construction will be restricted to supplying the normal demand.

#### Two Disturbing Factors

As an offset to the generally bright picture, two factors must be taken into consideration, either or both of which may prove highly disturbing. The first is the uncertainty that always occurs during a presidential election, with its resultant agitation and the natural disposition of big business to "hedge" until the probable policy of the country's administration be measurably determined and, of greater concern just now, the struggle that is likely to develop in the automobile field with the advent of the new Ford car. The great Ford plants throughout the country, both east and west, have been idle for months, during which time their equipment has been remodeled at enormous cost, in order to turn out the new type of machine upon which Mr. Ford and his engineers have been steadily at work for a long time, and for which great things are promised. Already automobile underwriters report a falling off in premium income due in considerable degree to the unwillingness of prospective car owners to make purchases until they see what Ford will have to offer. It is idle to expect that the General Motors Corporation, Ford's great competitor, will sit by and let its market get away. Hence, a period of the keenest possible competition in the automotive industry may be anticipated.

Come what may, however, fire under-

## GOOD SPEAKERS LISTED FOR AGENTS' CONVENTION

### ILLINOIS MEETING PLANS

Local Agents Association Arrange for Annual Convention to Be Held in Joliet

The officers of the Illinois Association of Insurance Agents are making elaborate preparations for the annual meeting to be held at the Louis Joliet hotel, Joliet, Ill., Nov. 22. The meetings and banquet will be held at the Chamber of Commerce building. This is a new structure and is well equipped to handle meetings of this kind. Among the speakers will be W. Eugene Harrington of Atlanta, Ga., president, National Association of Insurance Agents; John H. Camlin, of Rockford, Ill., well known local agent and president of the Illinois Chamber of Commerce; Thomas M. Hogan of Chicago, special agent of the Dubuque Fire & Marine; E. D. Lawson, Chicago manager, William H. McGee & Co., marine insurance men; John C. Leissler, insurance editor, Chicago "Journal of Commerce"; Leo E. Thiemann, of the Casualty Information Clearing House of Chicago; F. P. Stanley, vice-president and general manager, Glens Falls Indemnity; Hebe Hudson and Alvin S. Keys.

Shareholders of the Rossia unanimously approved the recommendation of their directors that the capital of the company be increased through the issuance of 16,000 additional shares, par value \$25, to be sold at \$90.

writers may be counted upon to pursue a steadfast course, profiting by the lessons of the past and holding to the fundamentals upon which fire insurance is based and upon which a magnificent structure has been reared.

## RESTRAIN REVOCATION OF COMPANIES' LICENSES

### INJUNCTION IN TAX CASE

Metropolitan Life Takes Action to Prevent the Collection of the Increase in Ohio

COLUMBUS, O., Nov. 2.—In a test case heard here today before the court of common pleas, the Metropolitan Life won a temporary injunction to prevent Insurance Commissioner Safford from revoking the licenses of foreign companies for refusing to pay this year the one-half of 1 percent premium tax increase passed by the Ohio legislature last spring. The case was authorized by the Association of Life Insurance Presidents and was brought in the name of the Metropolitan. It is contesting the validity of the increase as applicable to the 1927 tax which is based on premiums collected last year. The Metropolitan Life in its suit contended that the Ohio premium tax payable each year "in the month of November" is a tax on the business of the preceding year and therefore the one-half of 1 percent increase imposed last spring violates a provision of the Ohio constitution prohibiting retroactive laws.

The petition also asks that the same remedies be available to all foreign companies, life, fire and casualty, similarly situated. Approximately 551 foreign companies are interested.

Some of the Ohio life companies seemed to feel that later on a case will be made to test the constitutionality of the Ohio tax law inasmuch as it discriminates in favor of home companies, which are not taxed. The famous Hanover Fire tax case in Illinois has a particular bearing on this point.

The New Hampshire Fire reports that its loss in the St. Louis tornado will not exceed \$100,000. The County Fire, an affiliated company, reports that its loss will not exceed \$25,000 and the Granite State will not exceed \$10,000.

## BELIEVE CONTROVERSY WITH MEXICO SETTLED

### TO DROP PUNITIVE MEASURES

Mail of American Companies Had Been Seized Because of Failure to Comply with Law

WASHINGTON, Nov. 2.—The controversy between the government of Mexico and insurance companies of the United States is about to come to an end, it was learned here in official circles. Coincident with the assumption of ambassadorial duties by Dwight W. Morrow in Mexico City comes what is believed to be the means of straightening out the situation so that the mail of the American underwriters in Mexico no longer will be seized.

The ironing out of the difficulty between American companies and the Mexican government comes through no change in the Mexican law, which requires foreign companies to invest certain percentages of funds in Mexico, but rather through the fact that the Mexican government has chosen not to take punitive measures against the insurance companies not obeying the letter of the law. Last winter the mail of American companies which did not comply with the law was seized, and this act was protested vigorously by the State Department.

#### What New Law Provides

Five American fire companies, the Agricultural, Hartford, Home, National and the United States, have been represented in Mexico for a number of years, and no criticism is had of their action, the complaint rather being of offices that have written Mexican risks for New York City brokers. Under the revised insurance code of Mexico foreign fire companies seeking license in the republic are required to make a deposit of \$50,000, or twice that formerly asked for, and in addition must put up a 30 percent reserve on unearned premiums; full reserves upon all outstanding claims, and an additional 10 percent of the 30 percent as a contingent reserve, to cover fluctuations in security prices and other possible happenings. The revised statute provides penalties for assureds or agents patronizing unlicensed companies of whatever character, as follows:

#### Penalize Agents or Assured

1. Companies which, without being expressly authorized to operate under the terms of this law, issue policies or other insurance obligations. The documents issued and obligations contracted will produce no legal effect and the company will be obliged to return the premiums received.

The person, director or manager who contracts insurance, knowing that the insuring company is not authorized to operate in the country, shall be considered guilty of fraud, but if in the course of the action it should be proven that he acted in good faith contracting the insurance, he shall be fined an amount equal to ten times the sum which would have been due to the federal treasury as taxes on the insurance contract entered into.

2. The agents who may intervene in the placing of an insurance contract of a company which is not legally authorized to operate in the republic. In all cases the offices shall be closed.

3. The agent of an insurance company who shall be proved to have employed false data of any nature to induce the placing of insurance.

4. The doctor practicing an examination destined to serve as a basis for the issuance of an assurance with a company not authorized to function in the country, and

5. The agent or doctor who deceitfully or with a view to gain, shall conceal from the company employing him, the existence of facts the knowledge of which would have impeded the issuance of an insurance contract, within the judgment of experts.

## CONDENSED NEWS OF THE WEEK

R. C. Christopher, United States manager of the Caledonian, has resigned, being succeeded by Robert R. Clark. **Page 3**

Kansas department invokes retaliatory tax law against Ohio companies as a result of increase in insurance taxes in that state. **Page 3**

Year's fire insurance business is viewed with general optimism, despite some disquieting features. **Page 3**

Suit filed to enjoin collection of higher tax on insurance companies in Ohio. **Page 4**

George H. Batchelder of New York, assistant manager of the North British & Mercantile, will retire from the service of that company Jan. 1. **Page 12**

Annual meeting of the grand nest of the Blue Goose is held at Dallas, Tex. **Page 5**

Drastic action taken in West Virginia on commission agreement. **Page 10**

Eastern Underwriters' Association takes important action on inland marine underwriting rules. **Page 10**

Stacey W. Wade, North Carolina insurance commissioner, retires and is succeeded by his chief deputy, Dan D. Boney. **Page 8**

Inter-Mountain Lloyds is organized at Salt Lake City, with George L. Trullitt, formerly of Chicago, as vice-president and general manager. **Page 12**

Settlement of controversy between Mexican government and American insurance companies believed to be in sight. **Page 4**

The Merchants & Manufacturers Fire of Newark is being refinanced and will be enlarged. **Page 10**

Annual meeting of the California Association of Insurance Agents is being held this week. **Page 14**

Tentative program is announced for annual convention of Indiana Association of Insurance Agents, to be held in Indianapolis next week. **Page 26**

Kansas Association of Insurance Agents in annual session at Hutchinson reelects Charles G. Blakely, Jr., as president. **Page 30**

Casualty underwriters encouraged by outlook for the business. **Page 46**

Bureau organized in Massachusetts for exchange of information on risks under compulsory automobile liability law. **Page 43**

Important decision on automobile crossing claims handed down by United States Supreme Court. **Page 43**

Burglary underwriters resent criticisms made by official of American Bankers Association. **Page 42**

Campaign of compulsory legislation expected in next legislative season. **Page 43**

Surety company officials feel that with the stricter line-up in the Surety Association of America, conditions will greatly improve. **Page 46**

Accident frequency is increasing this year as noted in the records of casualty companies writing automobile business. **Page 43**

Hearing is conducted in Minnesota regarding proposed changes in compensation insurance rates. **Page 41**

L. R. Swezey becomes president and general manager of the Phoenix Indemnity. **Page 41**



## TRAVELERS ISSUE IS UP IN MASSACHUSETTS

Forms Big Topic of Discussion at Annual State Meeting of Agents in Boston

### COLE DEFENDS COMPANY

Opposition by Others Blocks Action Approving Settlement—W. C. Moulton Re-elected President

#### NEW OFFICERS ELECTED

President, William C. Moulton, Pittsfield.  
Vice-President, Fred R. Smith, Haverhill.  
Secretary-Treasurer, Fred A. Norton, Salem.  
Regional Vice-Presidents, Charles S. Ashley, Jr., New Bedford; Joseph R. Bennett, Lowell; Norman A. Brainard, Springfield; Edwin J. Cole, Fall River; S. T. Emery, Boston; Harvey A. Gallup, North Adams; Willard C. Hill, Boston; Henry F. Howe, Gardner; Charles W. Johnson, Worcester; John A. Johnson, Gloucester; Roscoe K. Noble, Northampton; William P. McPherson, Worcester; Warren S. Shaw, Brockton; Robert T. Sisson, Lynn, and A. C. E. Stimson, Greenfield.

BOSTON, Nov. 2.—The controversy over the employment of non-policy-writing agents by the Travelers Fire and the action of the Eastern Underwriters Association on the question was the big issue before the Massachusetts Association of Insurance Agents, which held its annual meeting here Thursday with 100 in attendance.

#### Cole Reviews Controversy

Edwin J. Cole of Fall River reviewed the different steps in the controversy and sprung a surprise on the convention when he reported that he felt the whole matter was in a fair way to be adjusted, pleaded the case of the Travelers and declared that representations made at New Orleans by Vice-president Williams of that company were such he had every confidence the matter had been or was about to be adjusted satisfactorily.

Mr. Cole also declared that it was not until within a few days that he had learned the Eastern Underwriters Association had modified its by-laws so that every member of the association could now employ non-policy-writing agents in branches, just as the Travelers had been doing. To him it put a new aspect on the case and he felt the Travelers had perhaps been too heavily criticized by the agents.

#### Worcester Man Not Satisfied

H. Ward Bates, president of the Worcester Board, declared he had been officially sent by that organization to make certain that the Worcester Board side of the case was placed before the convention properly and fully. He said the local agents there had been waiting, and waiting patiently, for some action and results. While they had been waiting and been given promises, the 18 non-policy-writing agents of the Travelers in that city had increased to 24. They were getting all their overhead paid by the company and receiving 20 percent commissions. He and other agents had to pay their own overhead and got only 20 percent. Mr. Bates made it plain that he was not satisfied with this "11th hour sayso" from the national convention.

Arthur E. Fairbanks of Worcester declared he was much surprised at the change which had come over Mr. Cole and he wondered if the Travelers were

(CONTINUED ON PAGE 22)

## PROGRAM TO COMBAT CONSTRUCTION HAZARDS

### INTEREST IN DETROIT PLAN

With Sherry-Netherland Hotel Fire as Lesson Detroit Building Will Have Numerous Safeguards

DETROIT, MICH., Nov. 3.—Fire underwriters are interested in the safeguards against fire which are to be installed during the period of construction in the fireproof office building, garage and theatre to be erected here at the corner of West Grand Boulevard and Second Avenue by the New Central Development Corporation and Fisher & Co. The general contract for the building is so arranged that unusual precautions will be taken during construction to avoid a fire. A complete standpipe with hose and both steamer and city water connections together with necessary temporary pumps will be installed, and will go up with the steel, several stories ahead of the concrete construction. Fire barrels and buckets and fire extinguishers will be installed at proper locations. A so called safety first maintenance mechanic will be on constant duty during all working hours, supplemented by a watchman and time clock station operating at all other times.

#### Most Complete Program

So far as is known this will be the most complete fire protection equipment ever installed in a modern fireproof building in the course of construction. It is believed that the owners were influenced to take these unusual precautions as a result of the spectacular Sherry-Netherland Hotel fire which occurred in New York last winter. The Sherry-Netherland is a modern fire resistive building 23 stories high, with a tower running up to 41 stories. Fire started in the scaffolding at the thirty-eighth floor and the firemen were unable to get water on the flames which were 500 feet above the ground. The fire spread rapidly through all the scaffolding at the top of the tower and burned down on the wooden material hoists to the thirteenth floor before water could be supplied.

#### Need Recognized

Companies generally are recognizing more and more the need of a more comprehensive fire prevention program in large and tall buildings under construction where canvas, wooden scaffolding and hoists are, of necessity, used

## NEW YORK CITY GROUP SUFFERS HEAVY LOSS

### FIRE DOES \$600,000 DAMAGE

North American Inter-Insurers Receive Notice from Attorneys on Seriousness of Blaze

All the subscribers of the North American Inter-Insurers of New York have received from Benedict & Benedict, the attorneys and managers, notice of the seriousness of the loss in the Pittsburgh Dry Goods Company. It had \$600,000 on the risk. It is stated the loss will exceed 50 percent. The letter is as follows:

"For the first time in the history of the North American Inter-Insurers we are compelled to report a considerable loss. The Pittsburgh Dry Goods Company, a Class 'A' subscriber for over 25 years, was damaged to the extent of approximately \$1,000,000, of which, as nearly as can be at present ascertained, prior to adjustment, your association is involved to the extent of approximately \$300,000.

#### Spread from Adjoining Premises

"The Pittsburgh Dry Goods Company risk conformed in all respects to the rules adopted by your advisory board, and in fact the loss was occasioned not by a fire within the premises of the subscriber, but by a fire which occurred in adjoining premises. The sprinkler tank fell through the building with a resultant damage from water much more than was suffered by fire.

"It was deemed advisable by your advisory board at its meeting on Tuesday, Oct. 18, that this preliminary notice be sent to all subscribers. Further particulars will follow as soon as they can be ascertained. From the best information obtainable up to the present time we figure the amount of your net liability involved in the loss will be approximately \$....."

and where numerous salamanders are employed in drying concrete during cold weather. It is believed that with the Sherry-Netherland fire as a lesson other big buildings will adopt preventative measures such as those to be used in the new structure in Detroit.

The Western Factory Association will write the line on the new Detroit building, the business having been secured by the Detroit Insurance Agency.

## GRAND NEST OF BLUE GOOSE MET IN DALLAS

T. L. Geraghty Named Most Loyal Grand Gander, Succeeding Wirt Leake

### FELLERS IS NEW OFFICER

Montreal Selected as Next Meeting Place—Have Three Day Session Well Attended

#### NEW OFFICERS ELECTED

Most Loyal Grand Gander, T. L. Geraghty, Philadelphia.  
Grand Supervisor of the Flock, J. Charles Harris, San Francisco.  
Grand Custodian of the Goslings, D. L. McCoy, Sioux Falls, S. D.  
Grand Guardian of the Nest, Henry L. Rose, Baltimore, Md.  
Grand Keeper of the Golden Goose Egg, W. F. C. Fellers, Jacksonville, Fla.  
Grand Welder of the Goose Quill, Paul E. Rudd, Milwaukee, Wis.

DALLAS, TEX., Nov. 2.—It is certain that those who were in attendance at the annual meeting of the grand nest of the Blue Goose, which was held at Dallas last week will remember their visit. Matters of importance to the members of the order were discussed at the business sessions. The entertainment furnished by the Texans to their visitors exceeded the expectations of all.

It was a successful meeting from every angle. Delegates from 40 ponds were on hand. There were two past most loyal grand ganders. The registration showed there were present 290 members of the Blue Goose and about 240 ladies. Practically every member of the Texas pond and the South Texas pond was present. The Oklahoma pond had a delegation of 40 ganders at the meeting.

#### Geraghty Is New Chief

It is the custom of the grand nest to advance its officers each year and, in accordance with this practice, T. L. Geraghty was elevated to the position of most loyal grand gander. J. Charles Harris of San Francisco is now grand supervisor of the flock. D. L. McCoy of Sioux Falls, S. D., was advanced to grand custodian of the goslings, while Henry L. Rose of Baltimore assumes the office of grand guardian of the nest.

This procedure of advancing the officers each year causes a vacancy in the office of grand keeper of the golden goose egg. W. F. C. Fellers, an independent adjuster of Jacksonville, Fla., was elected to this office. There was a lively contest for this position between Mr. Fellers and Guy H. Fuller, of Oklahoma City. There were 44 votes cast for Mr. Fellers while Mr. Fuller secured 37. At the meeting of the grand nest last year, Mr. Fellers was considered for this office but at the last moment he withdrew in favor of Henry L. Rose of Baltimore. And while there was no definite promise made to Mr. Fellers that he would become a member of the grand nest this year, it was felt by many that he was the logical man for the position at this time. For awhile it looked as though Herbert C. Ford of San Antonio, Tex., special agent for the Springfield, would be entered as a third candidate for this office.

#### Paul Rudd Re-elected

There was not the slightest doubt in the minds of the delegates as to who would occupy the position of grand welder of the goose quill. Paul E. Rudd of Milwaukee, by his most efficient work in this office, has demonstrated over a period of years that he is the man for

## NEW AND RETIRING BLUE GOOSE HEADS



T. L. GERAGHTY, Philadelphia  
New Most Loyal Grand Gander



WIRT LEAKE, Dallas  
Retiring Most Loyal Grand Gander



the job. As usual, he was reelected by acclamation.

The next meeting of the grand nest will be held at Montreal. Previous to 1926, the grand nest meetings were always held at Chicago. Last year the meeting took place in Milwaukee. While no set rule has been adopted it is the consensus of opinion that, if desired, the meeting can be secured for the state, or province, which is the home of the most loyal grand gander. T. L. Geraghty, the most loyal grand gander elect, while a resident of Philadelphia at this time, has his membership in the Canadian pond. Since becoming a grand nest officer, Mr. Geraghty moved to Philadelphia but he is recognized as a Canadian member. The date of the meeting will be decided by the grand nest officers and the members of the Quebec pond. In all probability it will take place in August or September, as the weather in Montreal during these months will be better suited to the members than at a later date.

#### Wirt Leake Presided

Wirt Leake of Dallas, most loyal grand gander, presided at the business sessions and kept things moving along at a lively clip. Mr. Leake is possessed of much ability and his ever ready wit displayed at most opportune times during the sessions kept the ganders in good humor throughout the meeting.

The finances of the grand nest were the subject of much discussion. It was pointed out that, due to the growth of the order, it is necessary to have additional funds for the grand nest and in line with this thought a motion was passed to the effect that, instead of local pond, the local ponds will hereafter pay grand nest without expense to the local pond, the local ponds will hereafter pay their pro rata share of such stationery as is used by them. This will mean a saving to the grand nest of upwards of \$1,200 per year. To further enhance the coffers of the grand nest, section "C" of the by-laws has been stricken out. This section exempted from dues those ganders who were admitted to membership to the order within 90 days prior to Sept. 1.

With more funds available, the officers of the grand nest would be in a position to visit more ponds and accomplish much for the order.

#### Approve Addition of "International"

In accordance with the suggestion made by Most Loyal Grand Gander Leake, in his annual report, pointing out the advisability of changing the name of the order to "The International Order of the Blue Goose," there was some discussion and it was decided to recommend to the committee on by-laws that the name be changed to "Ancient and

Honorable Order of the Blue Goose, International." Those present felt that the word "International" should appear in the name. The majority expressed the opinion favoring "International" as the last word, similar to the Rotary Club, International.

The subject of group life insurance coverage for the members of the order occasioned considerable discussion. W. F. C. Fellers, chairman of a committee to consider group life insurance, made his report in which he said he believed it would be unwise to take this on as a national proposition at this time. He told of the group life plan in effect in the Florida pond, and suggested that each pond consider this matter very carefully. A proposal for a group life coverage for all members of the order was submitted by the American National of Galveston, Tex., to E. D. Marr of Kansas City, who is a member of this insurance committee. Mr. Marr was unable to attend this year's meeting and the proposition was submitted to the meeting by R. C. Kimberly of the "Heart of America" pond.

#### Casualty Men Not Admitted

The business session got under way Wednesday morning, with Most Loyal Grand Gander Wirt Leake presiding. The invocation was said by Dr. George W. Truett of Dallas. Immediately following there was community singing, led by George Brewster.

In his annual address Mr. Leake told of the work during the past year. He urged upon the members the importance of having proper regalia to be used in initiation work. He touched briefly on the advisability of changing the name of the organization and suggested a discussion to ascertain whether the annual dues to the grand nest should be increased. He said that in his travels he has found that the deportment of the members has been above reproach, according to his observation, in spite of the fact that there has been some criticism. He cautioned the members to so conduct themselves that they would not be subject to the least bit of criticism. He mentioned the fact that there was a need for clarifying the constitution and by-laws regarding the character of men eligible for membership. It has come to his attention that there have been several inquiries as to whether casualty men were eligible for membership. The committee appointed on Mr. Leake's address approved the suggestions made and was of the opinion that casualty men should not be admitted to the order.

#### San Francisco Gained Most

The report of the grand wielder of the goose quill, Paul E. Rudd of Milwaukee, showed that the total membership to date is 6,549. There were 146

certificates of flight issued during the year. A charter has been granted to the Nova Scotia pond. The San Francisco pond has secured the largest number of new members during the year, a total of 76. The report of J. V. Bowman, chairman of the necrology committee, was read. Mr. Bowman was unable to be present at the meeting. Fifty-eight members have died during the past year.

A motion was presented which would permit past most loyal grand ganders to have all the privileges of the floor, but it was felt that as years go on when there would be more and more of them, it would be possible for these men to predominate at a meeting and the best interests of the order would be served by allowing them every other privilege but to vote.

Wednesday afternoon Thomas Larkin of the Wisconsin home nest pond read a letter from W. E. Atwater, who is recognized as the father of the Blue Goose, in which Mr. Atwater made the suggestion that a man who has been a member of the order for 15 consecutive years and has reached the age of 70, should be given a life membership. After much discussion it was found that a period of 20 years was favored as against that of 15. The matter has been referred to the constitutional committee for action.

#### Fellers Long Active

W. F. C. Fellers of Jacksonville, Fla., the newly elected grand keeper of the golden goose egg, has been an active member of the Blue Goose for many years. He was a charter member of the original pond in Florida. When the Florida pond was reorganized, some five years ago, Mr. Fellers took an active part and has been representing the Florida pond at the grand nest meetings for the last five years. The Florida pond is the first of the ponds to arrange for group life insurance coverage for its members. Mr. Fellers is chairman of the committee which put this over for the Florida pond. He is also chairman of the group life insurance committee for the grand nest. Mr. Fellers has been in the insurance business for many years. At present he is an independent adjuster, with headquarters at Jacksonville. For several years he traveled as special agent for the general agency of E. A. Groover in Florida and southern Georgia. He was the first resident special agent in Florida. He traveled for the America Fore group in Florida, Georgia and Alabama. He succeeded E. A. Gentry in this position. Mr. Fellers has been a resident of Jacksonville since 1894.

#### Golf Tournament Held

The Blue Goose golf tournament was held on the course of the Dallas Country Club. There were 20 entries. The low

score was made by T. S. Prescott of Richmond, Va., who had 77, and won first prize. The second prize was divided between three players who had handicaps and turned in the same score, 73. They were Joe D. Wheeler and Fred Gibbons of Dallas and R. L. Maxwell of Oklahoma City.

There was a team match for the Blue Goose trophy between entries from the United States and Canada. Thomas L. Geraghty, the most loyal grand gander elect, was captain of the Canadian team, and D. M. Pollard of Beaumont, Tex., captained the United States team. The latter team won by combined scores of 545 to 587. Sides were chosen and these figures represent scores of all the players on each side.

The golf tournament committee was composed of F. D. Cochran of Dallas, who was resident chairman, A. W. McLeod, New Westminster, British Columbia, I. Jalonick, Dallas, Fred W. Ransom, Chicago, and Larr C. Young, Salt Lake City, Utah.

#### CONVENTION NOTES

There were some forty members of the Oklahoma pond in attendance at this year's meeting. The Oklahoma ganders attracted considerable attention. Each wore a white felt hat with a band on which was printed, "Oklahoma Pond of the Blue Goose." At the dinner at the Dallas Athletic Club, several members of the Oklahoma delegation took part in a minstrel and gave a good account of themselves.

\* \* \*

At the good fellowship dinner Thursday night the honey which was served and enjoyed so much was from the apiary of John R. Hancock, one of the prominent local insurance agencies in Dallas.

\* \* \*

The reports of the activities of the various ponds throughout the year were filed with the grand wielder of the goose quill, Paul E. Rudd. These reports will be published in a forthcoming issue of the "Grand Nest Bulletin."

\* \* \*

The Southwestern Adjustment Company of Dallas distributed at the meeting a beautifully gotten up booklet, setting forth pertinent information regarding Dallas as an insurance center, and extending a welcome to all those in attendance at the meeting.

\* \* \*

The official program carried on the front cover a picture of the "Ancient and Honorable Bird," of the color of the order. The bird was appropriately adorned with a ten gallon hat and a large six shooter!

\* \* \*

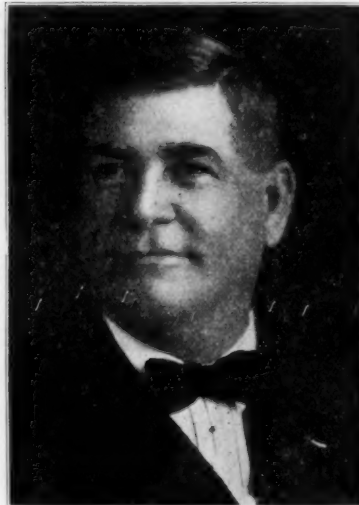
In arranging the entertainment features of this year's meeting, considerable attention was given to the ladies. A splendid program for the ladies was got-

(CONTINUED ON PAGE 14)

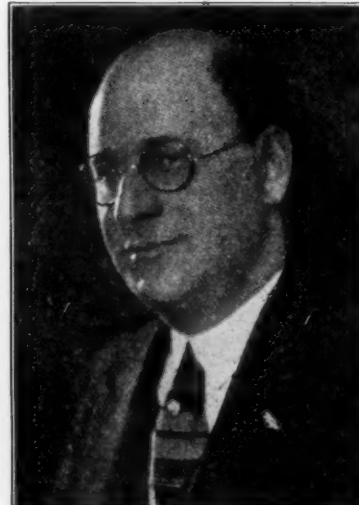
## BLUE GOOSE GRAND NEST OFFICIALS NAMED FOR COMING YEAR



J. CHARLES HARRIS, San Francisco  
Grand Supervisor of Flock



D. L. MCCOY, Sioux Falls, S. D.  
Grand Custodian of Goslings



HENRY L. ROSE, Baltimore  
Grand Guardian of Nest



W. F. C. FELLERS, Jacksonville  
Grand Keeper of Golden Goose Egg



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"**B**ECAUSE insurance is my business. Because I make it a point to obtain all the facts possible and then to analyze the risk of a prospective client before making my first call.

"I do not believe in cultivating a customer by social calls. I came here to talk insurance — your insurance in particular — and if I can't do that intelligently then I am wasting valuable time both for myself and for you.

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the facilities of the strongest fire insurance organization in the country."

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**WHAT IS AN APPRAISAL?**—It is a complete classified inventory of insurable property (except stock, merchandise and raw materials). Each item of property is valued at today's cost to replace new. The amount of accrued depreciation is determined and the sound insurable value is given.

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## WISCONSIN INSURANCE DAY IS ON PERMANENT BASIS

### MEETING COMPLETE SUCCESS

Menace of State Insurance and Need  
for Greater Education of Public  
Is Central Theme

MILWAUKEE, Nov. 2.—Support for Insurance Day in Wisconsin was so strong this year at the session held last week, that the future of the event is assured in the opinion of Milwaukee insurance men in all different lines of the business. The attendance at the sessions during the day was larger than a year ago. At the banquet in the evening more than 500 were present and additional space had to be taken to accommodate the crowd.

The insurance men were there for the opening of the morning session in much larger numbers than a year ago, and remained throughout the morning. The same was true in the afternoon. They came to get acquainted with the other departments of the insurance business and they learned that many of the problems are common to all branches. They were given a broad view of the varieties of risks that insurance will cover and the breadth and scope of the entire business. The program was well scheduled and the afternoon meeting was over by 4 o'clock. This time feature pleased the audience.

#### State Insurance Outstanding Topic

State insurance was the outstanding thing discussed by the speakers. Four of them brought out the fact that insurance interests have a common problem in state insurance, that the trend of the legislators is to pass state fund measures which will take the business away from private carriers.

Commissioner Freedy of Wisconsin struck what proved to be the keynote of the meeting when he concluded his address of welcome thus: "May I not, therefore, urge you to so conduct your business as to inspire greater confidence and bring about a better understanding on the part of the insuring public and of the real purpose and necessity of insurance as supplying every need, to the end that there may eventually be dissipated in the minds of the legislators the thought that it is necessary for the state to engage in a business that can best be conducted by private interests, where in my judgment it rightfully belongs."

Harold P. Janisch, manager of the American Mutual Alliance, told of the fight that compensation insurance carriers are having and have had during this legislative year, combatting proposals for state funds which have been introduced in many state legislatures. Mr. Janisch declared that it is the responsibility of every American employer to aid the insurance interests in fighting state compensation funds and he urged all branches of the business to get together against the state fund bills which crop up every legislative year in greater numbers than the preceding ones.

#### Plea for Education of Public

A plea was made by all speakers to let the public in on the insurance business, to tell it more about insurance and educate the people so that when adverse legislation is brought up there will be such a wave of public opinion against this kind of legislation that men in the law making bodies of the country will forget once and for all time, the thought of trying to put the states into the insurance business.

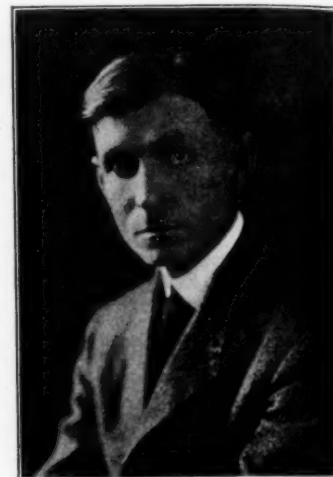
Local agents were told that it was their duty to educate their clients, and field men and company officials were also told that they should take up the work of enlightening the public about insurance, to prove to the public that there is no mystery about the very thing

## STACEY W. WADE LEAVES COMMISSIONER'S PLACE

### DAN D. BONEY SUCCESSOR

North Carolina Official Has Been Connected with Insurance Department for Many Years

Announcement is made that Stacey W. Wade, insurance commissioner of North Carolina, has resigned as of Nov. 15. Governor McLean has appointed Mr. Wade's chief deputy, Dan D. Boney, to fill the vacancy. Mr. Wade is one of the veterans in the commissioners' ranks. He entered the insurance department as deputy under James R. Young in 1909. He was elected commissioner in 1920 and reelected in 1924. He has taken an active interest in fire prevention work in his state as he is state fire marshal as well as insurance commissioner. In the affairs of the Na-



STACEY W. WADE

tional Convention of Insurance Commissioners, he has been a big factor.

Mr. Boney is a native of North Carolina, having been born in the state in 1895. He served in the 113th Field Artillery during the war. He was severely wounded in one of his legs and lost an arm. Returning from France he took the law course at the University of North Carolina and later became deputy insurance commissioner.

Mr. Wade will locate in Durham, N. C., to become vice-president of the Home Mortgage Company there.

which is of vital importance to every person in this country.

Frank M. Chandler, vice-president of the New York Indemnity and originator of the Insurance Day idea, described the value of Insurance Day in his talk at the banquet, as bringing about more friendly relations between insurance institutions and individuals, and giving more favorable publicity to the entire business.

Two of the prime movers of Insurance Day this year were missing at the sessions due to illness. Carl E. Hilbert, general chairman, has been ill for some weeks and was not able to be there so E. A. Piepenbrink, president of the Insurance Federation the past year, acted as chairman. Henry F. Tyrrell, legislative counsel for the Northwestern Mutual Life and chairman of the speakers' committee, was confined to his home the week of Insurance Day also.

The Mercury, owned by the St Paul Fire & Marine, is now entered in 37 states and is transacting all lines written by the parent company except hail and ocean marine. The company reports assets of over \$2,254,000.



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("Your nose knows."—Tuxedo Tobacco)

Your nose says: "Something burning," but it's up to your brain to reason out where and what it is.

It's a good line of reasoning to anticipate fire with strong stock fire insurance for by the time "your nose knows" there is a fire, it would be too late for insurance.

It's a case of knowing what kind and how much insurance to get and who to get it from that counts. A Home agent knows there is satisfaction in selling a Home Policy—and when it comes to settling losses, well—maybe his nose knows too.



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## DRASTIC ACTION TAKEN ON WEST VIRGINIA SCALE

### PLAN TO ENFORCE AGREEMENT

Strike at Competition of Unauthorized Carriers by Important Commission Rule

NEW YORK, Nov. 2.—Having received the required endorsement of 80 percent of the company members of the West Virginia Uniformity Association to its proposed plan for dealing with the competition furnished by non-affiliated institutions operating in the state, the supervisory committee has now sent to all association members copies of a new agreement, effective Jan. 1, 1928, which they are asked to have their local representatives in West Virginia sign before that date.

#### Give Commission Scale

The agreement in effect pledges that the agent, "will not on nor after Jan. 1, 1928, nor during the life of this agreement, represent directly or indirectly any company which is not a member of the West Virginia Uniformity Association, nor accept from any other company or companies directly or indirectly, commission or emolument of any description higher than or different from the commission hereinafter in this article defined (and so long only as the agent observes such stipulation); the company agrees to pay and the agent to accept as full compensation on business written by him for it, commission at the following rate: Fire, windstorm, cyclone, tornado, hail, automobile and sprinkler leakage, 20 percent; riot and civil commotion and explosion, 15 percent; rain insurance, 12½ percent. These figures are applicable to the state as a whole, except that in the city of Wheeling 25 percent is allowed upon automobile business.

#### All Others Reduced

Should an agent decline to sign the agreement his commission will be automatically reduced to 10 percent upon all lines. The plan determined upon by the committee is a drastic one, and will force a line of cleavage between all affiliated and non-affiliated companies writing in the state.

When the flat 20 percent agreement for West Virginia was put into effect three years ago, as a means of bringing order out of the chaotic commission situation that had reigned in the state for several years, a number of companies favored the adoption of a separation plank. For various reasons, however, this was not generally sanctioned. The growing activity of the non-affiliated offices, a number of which entered the state after the flat commission program went into operation, forced the associated companies to take vigorous measures to protect their interests, the agreement above outlined being the result. Its reception by the local fraternity in the state remains to be seen.

West Virginia has a considerable number of manufacturing and large mercantile risks, the carrying of which calls for considerable underwriting capacity. Notably is this true of the collieries, the leading premium producing class in the state, and of manufacturers at Parkersburg, Huntington, Charleston and other points.

#### Two Field Men Injured

H. W. Rollins, state agent of the National Union and Kenneth J. Hoag, state agent of the Baltimore American, were severely injured in an automobile accident last week when their car overturned on the gravel road of the Three C's Highway between Wilmington and Cincinnati. Mr. Rollins' eye was cut and Mr. Hoag's right arm was fractured.

Frank H. Williams has been named as Hartford representative of the World Fire & Marine and as general agent for the Century Indemnity.

## ACTION TAKEN BY E. U. A. ON INLAND MARINE RULES

### NEW BODY WILL BE FORMED

See End of Controversy Between Marine and Fire Offices Over Distinctive Fields

NEW YORK, Nov. 2.—Action of a highly constructive character was taken by the Eastern Underwriters Association at its recent meeting, when it adopted rules governing the writing of inland marine insurance and the operations of binding agencies in this and other centers under the organization's jurisdiction.

Of special importance was the determination to check the evils that have crept into the business during the past two or three years, when certain fire companies operating marine departments have been granting forms of coverage that not only transgressed upon the preserves of the fire offices, but clearly were in violation of the law, so much so that Superintendent J. A. Beha of this state issued a sharp warning regarding the practice several months ago.

#### Long Under Investigation

Inland marine insurance was primarily intended to cover goods in course of transportation whether by water or rail routes, the indemnity to cease when the product reached a terminal point. In recent years clever brokers have induced a number of companies to so broaden the transport cover as to not only afford the proper indemnity while the goods were in process of shipment, but while they were in storage as well, the result being that the storage business in the port of this city, once a large source of revenue to the fire companies, practically disappeared. The height of absurdity, however, was reached when a transportation form was granted a chain luncheon concern, covering not only goods in course of shipment, but stock in the various branch stores throughout the country and their furnishing and equipment as well.

A special committee of the Eastern Underwriters Association, with Benjamin Rush, president of the North America, as its chairman, has been at work for months formulating a plan that would effectively cure these evils, restore to the straight fire companies lines of business that should be written under fire covers and at specific rates and allow marine offices to handle only that division of the business to which they are entitled, and under forms standard in character and free from the many onerous conditions shrewd brokers have hitherto managed to inject into them.

#### Form New Body

Under the plan adopted by the association, the Interstate Underwriters Board will be formed as a division of the parent organization, membership in which will be open to all companies writing inland marine insurance. Skilled management will be engaged for the department, and it is probable that branch offices will be located at Boston and other centers within the association territory, which will work in close harmony with regional rating bodies in the preparation of rates and forms. Just what the total premiums involved in the new movement amount to, no one cared to hazard a guess, the assertion being made, however, that they reach enormous figures.

Enforcement of the new regulations, it is expected, will put an effectual check to the baneful practices that have crept into binding agencies, through brokers securing such alliances as the thinnest kind of a pretext for getting an overriding commission upon their own business. As the evil is one of comparatively recent development its abolition should not be difficult.



## "THROUGH THE AGENT"

**T**HE effects of the strong, steady magazine advertising done by the Insurance company of North America are shown in results that come in *through the agent*.

North America Agents gladly testify to the efficacy of this advertising in making it more easy for them to approach prospects, by aiding them in booking renewals, and in otherwise facilitating their solicitation work.

Invariably, each North America Magazine advertisement directs the reader to the agent, as the property-owner's counselor in all matters of property protection. So all this advertising works through the agent, to his benefit and advantage.

### Insurance Company of North America

PHILADELPHIA

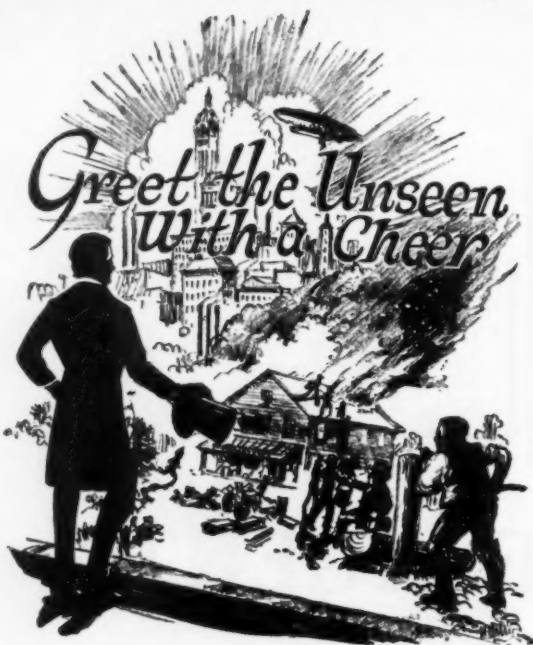
and the

### Indemnity Ins. Co. of North America

*write practically every form of insurance except life*







**W**HEN the store of Shepherd & Company in Northampton burned in 1821, the AETNA paid its first loss... \$4,000. The founders of AETNA knew that their future depended on the promptness and fairness of adjustments; but there were many anxious hours in those early days, when no one knew what crippling blows the morrow might bring.

**T**ODAY the resources of AETNA are so fortified that it is difficult to conceive of a catastrophe widespread enough to seriously impair its strength. Not alone in strength of money reserves... but in the confidence of people everywhere. Confidence in the company... confidence in its agents... and most of all, confidence in the way in which both company and agents are wholeheartedly working together for the better protection of property.

*Ralph B. Ins*  
President



**AETNA INSURANCE**  
[FIRE]  
**COMPANY**

## BATCHELDER RETIRES FROM NORTH BRITISH

### WILL RETURN TO EVANSTON

Has Had a Long and Useful Career  
in the Field of Fire  
Insurance

Announcement is made of the retirement of George H. Batchelder, assistant manager of the North British & Mercantile, and vice-president of its associated companies, Dec. 31.

Mr. Batchelder began his insurance career in the office of the London Assurance in New York, later spending several years in local and general agencies in Colorado. As his abilities were more widely recognized he became in turn general agent for the Niagara in the mountain field and assistant manager of the western department of the Delaware, Reliance and Rochester German at Chicago. When the latter was merged with the German American he was appointed assistant manager of the Rochester Underwriters Department at Roches-



GEORGE H. BATCHELDER

ter. He was later appointed joint manager with D. W. Redfield of the western department of the Pennsylvania Fire, becoming sole manager upon Mr. Redfield's retirement. After the Pennsylvania was acquired by the North British & Mercantile, Mr. Batchelder was transferred to New York as assistant manager of the North British and vice-president of its associated companies, with supervision over western business.

During Mr. Batchelder's connection of many years with the Western Union he served as a member of several of its important committees, including the governing committee, and also as chairman of the joint conference committee of the Western Union and the Western Insurance Bureau.

Mr. Batchelder contemplates returning to Evanston, Ill., and the establishment of his home there among his many old friends.

Mr. Batchelder is in Chicago this week on an agency trip and is staying over to attend the dinner to John M. Thomas of the Aetna in that city Thursday evening. Mr. Batchelder has been in ill health for the last two years and hence felt that he was not able to do his best work in his position.

As a consequence of the impending change, Manager C. F. Shallcross advises that General Agent Frank A. Gantert and Assistant General Agent Robert L. Mouk will continue with enlarged responsibilities in charge of the central department, comprising Indiana, Ohio, Tennessee, Wisconsin, Kentucky and Michigan. General Agent Edward S. Inglis and Assistant General Agent

## INTERMOUNTAIN LLOYDS LAUNCHED AT SALT LAKE

### TRUITT IS GENERAL MANAGER

Former Chicago Man Heads Organization, Which Includes Many Bankers of That Section

SALT LAKE CITY, Nov. 2—Organization of Intermountain Lloyds is announced by a group of prominent business men of the intermountain territory. Offices were opened last Monday in the Deseret Bank building on the third floor, in the suite formerly occupied by the Federal Reserve Bank. It has already been licensed for automobile and miscellaneous lines.

The association comprises more than 300 underwriters of prominence in the financial and business life of this territory, under the management of the Associated Underwriters Corporation. It is organized on the basis of a capitalization of \$1,000,000, of which about \$400,000 has now been subscribed. Included among the underwriters are 111 bankers of the intermountain states. Officers of the Associated Underwriters Corporation, managers for Intermountain Lloyds, are Seth Pixton, president; Carl R. Marcusen, vice-president; R. L. Conely, secretary and treasurer; George L. Truitt, vice-president and general manager. The directors, 18 in number, are almost all bankers. President Pixton is now state bank commissioner.

#### Truitt Is Well Known

George L. Truitt, vice-president and general manager, has been active in insurance circles in the central west for many years and comes to Salt Lake City from Chicago Lloyds, a similar organization to that here, where he was also vice-president and general manager. His insurance experience began 20 years ago with the Travelers. He has filled the positions of special agent, assistant manager and manager of the Travelers in Chicago. Later he was manager of the casualty department of Marsh & McLennan in Chicago and was subsequently elected vice-president and general manager of the Northwestern Casualty & Surety in Milwaukee. From this institution he went to Chicago Lloyds as vice-president and general manager.

Mr. Truitt states that Intermountain Lloyds intends to write practically all kinds of casualty, fire and general insurance, excepting life, accident and compensation. The initial activity will be automobile insurance of all kinds, he says.

Ralph R. Chapman will continue jurisdiction over the western field, embracing Iowa, Illinois, Minnesota, North and South Dakota, Nebraska, Missouri, Kansas, Oklahoma and Arkansas. Messrs. Gantert and Inglis have been Mr. Batchelder's right bowers for the last three years, and each has proved his ability to assume larger responsibilities. Messrs. Mouk and Chapman have been superintendents of agencies in their respective fields for over 12 months, the former being called in from the Ohio territory and Mr. Chapman from Minnesota.

#### Fire Waste Contest Entries

Following are the most recent entries in the Inter-Chamber Fire Waste Contest conducted by the National Fire Waste Council, under the auspices of the Chamber of Commerce of the United States: Natchitoches, La.; Bay Shore, Long Island, N. Y.

#### West Virginia Pottery Loss

Damage of \$25,000 was caused when fire destroyed a kiln at the plant of the Taylor, Smith & Taylor Pottery Company at Chester, W. Va., Sunday.

# To the Sky All Eyes Are Turning!

Lindbergh did it of course—struck the spark that started this tremendous wave of interest in flying.

After him Chamberlin and Levine . . . then Byrd and his crew.

Flying has been front page news since The Spirit of St. Louis and its lone occupant started across the Atlantic with the hopes, good wishes, prayers of countless millions the world over.

Oceans have bowed to the genius and courage of man. With what result? *To the sky all eyes are turning!* Flying has taken its place in science and commerce. Flying has come into its own.

And with this popular interest in aviation, insurance once more has the opportunity of demonstrating its necessity. Flying carries its hazards—grave hazards. Planes are costly, accidents not infrequent. Insurance can provide protection against the financial loss that such disasters bring.

We of the Indemnity Company of America, pioneers in Aircraft Insurance, have felt a very close interest in the development of flying. For several years we have been issuing this coverage and today find that experience genuinely helpful in making available to agents our facilities for writing this line.

Any information on Aircraft Insurance desired by an agent will gladly be furnished.

## Indemnity Company of America

ST. LOUIS, MO.

CH. A. LEMP, President

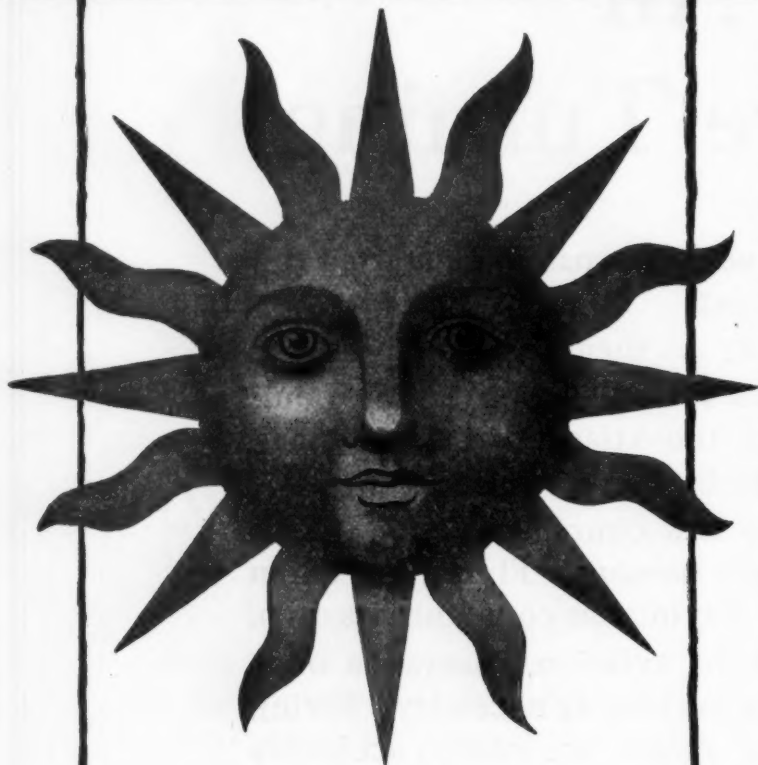
HENRI F. DAVID, Vice-President

WM. J. LEMP, V. Pres. and Treas.

SAM G. PARKS, Secretary



**Insurance is as old as the Sun**  
*Keep your face toward the Sun  
 And the Shadows will fall behind you*



**Established in 1710**  
**The Oldest Insurance Company**  
 in the World

### Coverages Effectuated

FIRE—RIOT AND CIVIL COMMOTION—USE AND OCCUPANCY—RENTS AND RENTAL VALUE—LEASEHOLD—LIGHTNING—INLAND MARINE—OCEAN MARINE—TOURIST FLOATER—SALESMEN'S FLOATER—WINDSTORM—YACHT AND MOTOR BOAT—ALL RISK PERSONAL JEWELRY—ALL RISK PERSONAL FURS—ALL RISK TOURIST FLOATERS—JEWELER'S BLOCK POLICIES—AUTOMOBILE—EXPLOSION—PUBLIC LIABILITY—MERCHAN—DISE IN TRANSIT, via Truck, Rail or Steamer (Annual or Trip Policies)

### AUTOMOBILE FULL COVERAGE

Including Public Liability Issued in One Joint Policy of

SUN INSURANCE OFFICE and  
 SUN INDEMNITY COMPANY

**SUN INSURANCE** **Office Limited**  
 of London

**The Patriotic Insurance Co.**  
**The Sun Indemnity Co.**

**United States Branch**  
 55 Fifth Ave., New York  
 Preston T. Kelsey, U. S. Mgr.

**Western Department**  
 Wrigley Bldg., Chicago  
 John F. Stafford, Mgr.

**Pacific Department**  
 San Francisco  
 C. A. Henry, General Agent

**Marine Department**  
 11 S. William St., New York  
 Wm. H. McGee & Co.  
 General Agents

**Sun Indemnity Co.**  
 55 Fifth Ave., New York  
 F. I. P. Callos, President

## CALIFORNIA AGENTS IN ANNUAL SESSION

### MANY QUESTIONS COME UP

**Biggest Subject Is the Appointment of  
 Banks and Financial Institutions  
 as Agents**

SACRAMENTO, CALIF., Nov. 3.—The twentieth annual convention of the California Association of Insurance Agents opened here today with the largest attendance ever present at an annual convention of the California agents. An unusually large number of company managers, life agents and general agents are in attendance, stimulated by the discussion of the appointment of banks and financial institutions which is to be one of the most important subjects for consideration.

President H. J. Thielen presided at the opening session, and in his remarks reviewed some of the problems which the convention is expected to consider. The addresses of welcome were made by M. L. Daviess, president Sacramento Insurance Exchange, and George W. Peltier, president Sacramento Chamber of Commerce. A response to these addresses was made by F. L. McDowell of Riverside, former president of the association.

### Legislative Committee Report

In his report as chairman of the legislative committee, John B. Shea of San Jose suggested that during the convention a meeting of company men and members of the life underwriters association, the attorney-general's office and the state insurance department be had and that a complete program relating to agency conditions be outlined and submitted to the governor so that he may be ready to submit it to the next legislature in proper form. "For your information," said Mr. Shea, referring to the necessity for agency qualification and the defeat of Senate Bill No. 1208 providing for such legislation which was pocket vetoed by Governor Young following the last session of the legislature, "we now have 110,000 agents licensed in California, an increase of approximately 50,000 during the last four or five years." Mr. Shea reviewed the three bills which were presented to the last legislature following resolutions passed at the 1926 convention covering the following subjects: Insertion of an automatic cancellation clause for non-payment of premiums under fire policies. Revision of the laws relating to surety companies guaranteeing mortgages and agency qualification.

### Commissioner Detrick Spoke

Other committee reports were made by C. K. Katzenstein on fire prevention in which he reviewed the work of the agents in assisting to reduce the fire loss, and L. S. Hotchkiss, chairman of the conference committee of insurance interests.

The only address at the opening session was made by Charles R. Detrick, insurance commissioner of California.

A dinner-dance provided entertainment during the evening, followed by an initiation by the Blue Goose with Walter D. Young, most loyal gander, presiding.

### Friday's Program

The program for Friday morning includes a discussion of "Non-recording and Branch Office Agents' Commissions" led by I. O. Levy of Los Angeles; "Advertising by a Local Agency and a Local Board" by Guy C. Macdonald, editor "Insurance Bulletin"; "Premium Collection Methods and Automatic Cancellation for Non-Payment" led by S. H. Wyckoff, secretary Napa County Local Board; an address on "The Brick Mercantile Schedule" by Joseph I.

Thomas, secretary district "B" of the Pacific Board. The morning session will close with memorial services for Frew W. LeBallister, former secretary of the association. The eulogy will be pronounced by W. G. Thompson of Napa.

### Lum to Give Address

Friday afternoon the opening address will be by Charles H. Lum, assistant general manager National Board on "Agents and Suppression of Arson." Following Mr. Lum, Arthur N. Brown of Edward Brown & Sons will discuss "The New Farm Rules, Rates and Applications." The balance of the afternoon will be devoted to the discussion of "Financial Institutions as Insurance Agents" led by Percy S. W. Ramsden. Time has also been allowed for a continuation of this discussion on Saturday morning. Arnold Hodgkinson, manager of the National Automobile Club, will speak at the closing session on Saturday and Percy H. Goodwin, member of executive committee of the National Association of Insurance Agents, will tell of the work of the National association at the New Orleans convention. Award of the "Insurance Bulletin" trophy presented by Guy C. Macdonald will be made at the Saturday meeting.

The annual banquet will be held on Friday evening, followed by a midnight "Luau" at the Elks Temple under the auspices of the Sacramento Insurance Exchange.

## GRAND NEST OF BLUE GOOSE MET IN DALLAS

(CONTINUED FROM PAGE 6)

ten up and proved highly successful. Mrs. James S. Hereford was general chairman. Tuesday the ladies were treated to an informal tea and musical at the Dallas County Club and were driven around the city. Mrs. D. D. McLarry was chairman for this event. There was a bridge luncheon on Wednesday. Mrs. Wirt Leake was chairman. Mrs. M. G. Jarreau was chairman of the committee for the ladies good fellowship supper Wednesday evening.

\* \* \*

S. C. Kennedy of Dallas, Tex., as resident chairman of the local entertainment committees, performed his duties in great style. He was on the job every minute. R. A. Belknap, president Trinity Fire, was chairman of the finance committee. M. G. Jarreau, Great American Fire, was the head of the reception committee. E. D. Stebbins, Northern of London, most loyal gander, Texas pond, performed as chairman of the transportation and automobile committee. W. Scott Clark, Travelers Fire, past most loyal gander, Texas pond, was the man in charge of hotel reservations. S. W. English, manager Texas Inspection Bureau, was chairman of registration and badges. E. R. Schoen, Cotton Insurance Association, acted as chairman of the music committee. Robert W. Fort, Fidelity Union, was chairman of the vaudeville entertainment committee. The committee on banquets was headed by C. M. Hunt, American of Newark.

\* \* \*

When the name of J. Charles Harris of San Francisco was presented for the office of grand supervisor of the flock, he was given a great ovation by those assembled. Mr. Harris was injured in an automobile accident over two years ago. He is still on crutches and made the trip to Dallas in company with Mrs. Harris and a trained nurse.

\* \* \*

It was a matter of keen regret to the delegates that E. D. Marr of Kansas City was unable to attend the grand nest meeting. Mr. Marr is a past most loyal grand gander and is one of the most enthusiastic members of the order. This is the first meeting he has missed for several years. Mr. Marr is having some trouble with his eyes and his physician advised him not to take the trip to Dallas.

"Tis better to have tried to write a line, however small, and see it go to some one else, than not have tried at all.

There's a danged sight more men kept onest by fear than by their morals.—Hayseed Agent.



## PYROXYLIN LACQUER HAZARDS DISCUSSED

### MANUFACTURERS GIVE FACTS

#### Problems of Safety in Paint Spraying Process Are Known and Dis- asters Can Be Prevented

Discussion of the paper entitled "Studying Plant Processes to Prevent Fires," read by Benjamin Richards, manager of the Underwriters Service Association, Chicago, at the National Safety Council meeting held in Chicago recently developed interesting information regarding the hazards of the pyroxylin lacquer spraying process in the automobile body and furniture industries.

Mr. Richards said during the session that there has been no loss originating from pyroxylin lacquer of over \$1,500 where the rules laid down by the National Fire Protection Association have been observed.

#### User of Process Speaks

The first to offer anything in discussion was a representative of the Fisher Body Corporation of Detroit, which has finished between 4,000,000 and 5,000,000 automobile bodies by the pyroxylin lacquer spray process. He told the fire prevention section that the Fisher plant is safer now than it was when the old methods of painting were used. "Good housekeeping," he said, "has resulted in the present safety. The Fisher Body Corporation is the largest user of the pyroxylin lacquer spray method in the world, but we have had no serious fires." He added that, although there is widespread belief that there is something mysterious in the pyroxylin lacquer method, as a matter of fact nothing mysterious is involved. The hazards of the process are known and can be removed. "An important element in safety," he said in conclusion, "is that the raw material of the process be properly stored."

#### Inspector's Report Helped

Another manufacturing representative told the meeting that a year or so ago an insurance inspector came into his company's plant to make a report on its condition. "This man went thoroughly over the plant," he said, "and he missed no details, either large or small. The first effect of his report was to make the officers of the company angry. They had thought their plant was up to date in every respect and felt that the report was unjustifiably severe. However, we ourselves made a careful check of the inspector's report and found that really there was nothing in the report that was objectionable; that, in fact, it was a comprehensive and highly valuable document. The result was that we corrected all the defects and have brought our plant thoroughly up to date in the matter of safety."

The Fisher representative was again called on, this time to explain precisely the kind of protective installation his company is using in the pyroxylin spray booths. He said that on the newest installations open head sprinklers have been placed in the ducts and stacks on manually controlled valves and that during the washdown at the end of the workday these heads are opened and the ducts and stacks are as thoroughly cleansed as the booths themselves.

One of the delegates present objected to a statement made by the Fisher Body representative which might have led some to believe that nitrocellulose, which is the principal ingredient of the pyroxylin lacquers, is soluble in water. The statement was then corrected to mean that nitrocellulose is not soluble in water, but that the dry residue of the pyroxylin spraying process is made non-explosive when it is wet with water.

Following Mr. Richards on the program was Curtis R. Welborn, superintendent of the label service of the Underwriters Laboratories, Chicago. The

subject of his paper was "First Aid Equipment for Fighting Fires," the paper being devoted to manually operated extinguishers, with particular reference to their limitations in fighting various kinds of fires. "Last year," Mr. Welborn said, "the United States and Canada suffered a property loss of \$560,000,000, plus heavy loss of lives. The solution to this situation is predicated only on enlightenment. Ninety percent of last year's fires could have been put out with first aid manual fire-fighting appliances." He said the three elements in the task of keeping down the burning rate with hand-operated equipment is first to get the equipment, second to distribute it properly and, third, to maintain it adequately.

The principal point of discussion on this paper was whether water streams should be used in fighting electrical fires. The first speaker was a representative of the Anaconda Copper Mining Company, who said only chemical apparatus is used to extinguish electrical fires originating in generating equipment on any of the Anaconda properties. He said his company does not use water for fighting these fires because of the destructive effect of the water on electrical equipment. Another speaker said that his firm uses water streams in preference to chemicals only because the underwriters demand water line installations.

An extempore address on "Teaching School Children to Use Fire Extinguishing Equipment" was made by a member of the Memphis, Tenn., fire department. He said every child in the Memphis public and parochial schools is taught to use hand fire-fighting equipment. He told how the boys of one school prevented a possible \$45,000 loss by discovering the blaze, assembling the fire-fighting apparatus and attacking the fire in the proper manner.

### TWO CONCERNS ARE MERGED

#### American-LaFrance Fire Engine Co. and the Foamite-Childs Corporation Have Joined Forces

Effective Nov. 15, the American-LaFrance Fire Engine Company, of Elmira, N. Y., have acquired the assets and good will of the Foamite-Childs Corporation of Utica, N. Y., and the business of the two companies will be combined under a single corporate identity. The name of the company will be the American-LaFrance & Foamite Corporation.

For 82 years American-LaFrance Company has been recognized as the leader in the development and produc-

tion of modern fire-fighting equipment. More than 90 percent of the fire departments of this country are using American-LaFrance motor apparatus, extinguishers, and accessories.

The Foamite-Childs Corporation, whose organization dates back to 1897 has built up a fire protection service of wide application to industrial, municipal, marine and private property. Manufacturing fire-extinguishing appliances of all types, the Foamite-Childs Corporation developed the modern foam method of fire-extinguishing (Foamite Protection) to a remarkable degree of efficiency, safeguarding property against even such "extra-hazardous" fire risks as oil, gasoline, paint and chemicals.

#### Campbell Succeeds Tilman

DES MOINES, IA., Nov. 2. — Shan Campbell, the investigator and adjuster, has succeeded to the business of Gale Tilman, who was for many years an independent adjuster specializing in automobile losses at Des Moines, and who was recently appointed superintendent of the automobile department of the Western Adjustment at Chicago. Mr. Campbell has been with Mr. Tilman for the past several years and understands the business thoroughly. He will continue headquarters at 313 Iowa National Bank building.

## Today Not Yesterday --- A Twister --- Who and Where --- --- Match or [Cigarette] --- Personality --- Said and Done

### Today Not Yester- day

The aged ofttimes become self-centered and dream of the good old days and ignore problems of the present. The Eureka-Security is not reflecting upon the glory of its sixty-three years of successful existence. Instead, the Eureka-Security works under the assumption that a successful insurance company of today can only be managed by an organization that thinks and works in terms of today's needs and conditions.

### A Twister



The ruins of a family house at South Park, Kansas, after a real Kansas "Twister" had passed over it. The family of five were rescued from under the debris.

### Who and Where?

The Florida disaster is a dead incident; the St. Louis tornado has wrought its havoc. Who and where will be next? With such examples to point at wide-awake agents can find it easy to convince their clients of the advantages of windstorm coverage. Conscientious agents will not be content until every client is fully protected. And it pays to be conscientious.



Damage of \$3,000,000, caused by the most disastrous fire in the history of Ocean City, N. J., a sea shore resort, was attributed to the careless throwing of a lighted match or cigarette into a pile of rubbish. Before firemen from 20 surrounding municipalities could succeed in checking the flames, two hotels had been destroyed and great damage had been done to homes in the residential section.

### Match or Cigar- ette?

The company may be unrepachable, the policy most complete and the cooperation between the home office and the agent ideal, but — Personality is a final factor that counts. The agent must furnish that. A successful insurance agent's personality takes a friendly interest in the client's well being and carefully explains the insurance intricacies that arise in the client's mind. Thus the insurance advisor becomes an actuality.

### Person- ality

When everything's said and done it is hard to get around to the fact that the Eureka-Security is a popular company with its agents. We practice cooperation, and we find cooperation pays and so do the Eureka-Security agents.

### Said and Done

## Eureka-Security Fire & Marine Ins. Co.

22 Garfield Place

Cincinnati, Ohio

Known also as THE CINCINNATI UNDERWRITERS

# A Specialist

*Serving As You Serve*

**I**N the same manner that you serve the people of your community by specializing in insurance, so does the ATLAS Casualty Company stand ready to serve your agency as a specialist in automobile insurance.

ATLAS provides full coverage automobile insurance—fire, theft, liability, property damage, collision, tornado—writing any or all coverages in one policy; it provides facilities for handling one risk or a fleet with equal efficiency; it adjusts all claims promptly and satisfactorily; and it writes automobile insurance exclusively, devoting all its time to serving its agents and its policyholders.

A specialist, serving as you serve, the ATLAS Casualty Company is able to offer you the benefits of this specialization in an attractive agency contract together with a sound and complete automobile insurance policy.

*May we tell you  
more about ATLAS!*

# Atlas

## Casualty Company

EXECUTIVE OFFICES  
Fort Wayne, Indiana

OPERATING IN ILLINOIS, INDIANA, OHIO,  
MICHIGAN, MISSOURI AND PENNSYLVANIA

## CHANGES IN THE FIELD

### GEORGE WILLIAMS RETIRING

Liverpool & London & Globe Announces  
Change in the Conduct of Its  
Wisconsin Affairs

George G. Williams of Milwaukee is retiring as state agent of the Liverpool & London & Globe. His retirement is recognized by the company in a substantial way owing to his long and faithful service. Mr. Williams has closed nearly 30 years of association with the company as its Wisconsin state agent. He will devote his time to loss adjustment work for companies, with offices at 115 East Wisconsin avenue, Milwaukee. He joined the Fire Underwriters Association of the Northwest in 1885 and is therefore one of the life members class.

Mr. Williams started in the business at Racine, Wis., in a local agency and later moved to Milwaukee. After six months work in the Minnesota field he became in 1884 special agent for the Commercial Union in Wisconsin, Minnesota and North Dakota. In 1900 he was appointed state agent for the Liverpool & London & Globe. He then moved his headquarters from Minneapolis to Milwaukee. For many years Mr. Williams has been the dean of the field forces in his state. He is the oldest active field man in service in Wisconsin. He is a charter member of the Blue Goose and a member of the Minn-Dakota-Wis Club. For many years he was chairman of the executive committee of the Wisconsin Fire Underwriters Association, which is the Union organization. It has taken official notice of his retirement and has elected him to honorary membership. Mr. Williams is one of the best known field men in the central west.

Frank H. Huntley and C. R. Bock, special agents who have been assisting Mr. Williams, will now be in charge of the state, each taking a specified territory maintaining their headquarters at Milwaukee. Mr. Huntley has been with the company for some 27 years. For a long time he was an examiner in the western department at Chicago and for the last five years has been in the Wisconsin field. Mr. Bock has been with

the company three years. Both men have had a fine experience.

### R. S. McKain

President J. W. Cochran of the Fire Association, the Reliance and Victory, announces the appointment of Robert S. McKain as special agent of these companies. Mr. McKain has been connected with the home office for a number of years in connection with the underwriting department. He will be associated with H. H. Sunderland, special agent for western Pennsylvania, with headquarters in the Columbia Bank building, Pittsburgh.

### T. G. Wilds

Following the recent death of State Agent Harold S. Manning of the Henry Clay Fire in Tennessee, arrangements have been made whereby Thomas G. Wilds, the Kentucky state agent, assisted by Edgar W. Reed, special agent, located at 1194 Starks building, Louisville, will look after the Tennessee business. Mr. Wilds has been looking after it since Mr. Manning's death, on a temporary basis, which has now been made permanent.

### H. C. Behnke

The Northwestern National has announced the appointment of H. C. Behnke as special agent in Ohio to succeed Lyman D. Bailey, resigned. Mr. Behnke will make his headquarters in the Columbus building, 35 East Gay street, Columbus. He has been in the branch office of the company in Chicago and subsequent to that he was with Marsh & McLennan in Chicago.

### Robert D. Voss

Robert D. Voss has been appointed state agent for Iowa and Nebraska for the Western Fire, and will make his headquarters at Omaha. He has been for the past six or seven years state agent for the Glens Falls in this same territory, and prior to that was for a number of years special agent for the Continental in Kansas, Iowa and Nebraska.

## VIEWED FROM NEW YORK

By GEORGE A. WATSON

### TRINITY FIRE ENTERS NEW YORK

The Trinity Fire of Dallas, Tex., has been licensed in New York, its eastern underwriting management being in the hands of Corroon & Reynolds, who are managers for both the eastern and middle western states.

### OLD COMPANY REFINANCED

The Merchants & Manufacturers Fire of Newark, N. J., which was chartered by a special act of the New Jersey legislature in 1849, is being refinanced. It has been continuously in business for more than 75 years. Now it will be enlarged. Corroon & Reynolds of New York have been appointed managers. R. A. Corroon, the head of the firm, is president of the American Equitable, Knickerbocker and New York Fire. He is a director of the Guardian Fire, the recently organized Brooklyn Fire and other organizations. J. M. Byrne, Jr., one of the old agents in New Jersey, has been chosen president of the company. It will start its expansion program with \$1,000,000 capital and surplus. The rest of the authorized stock will be issued from time to time as business demands. The new board of directors will be composed of prominent men in banking, commercial and industrial life in New Jersey and New York. Mr. Byrne's family has been

prominent in the insurance business for many years. Mr. Byrne's father, the late J. M. Byrne, Sr., who established the agency in 1886, was president of the Merchants of Newark which retired a number of years ago.

### CONTINENTAL STOCK ACTIVE

Rumors of a pending stock dividend on the part of the Continental were revived last week, when there was a notable increase in activity of that company's stock on the stock exchange. The shares advanced notably and held firm. No announcement has been made, but it is believed by many that the company will shortly announce a stock dividend.

### ENDORSE BROKERS' EXAMINATION

Endorsement of the proposed written examination for insurance brokers was voiced last week at a conference held between Superintendent Beha and representatives of four brokers' organizations and one agency association. The conference had been arranged by Francis R. Stoddard, former insurance superintendent and now arbitrator for the greater New York committee on fidelity and surety acquisition costs. Mr. Stoddard presented the position of the brokers and introduced the speakers on behalf of the organizations represented.



86TH YEAR



# CAMDEN FIRE

## INSURANCE ASSOCIATION

### CAMDEN, NEW JERSEY

January First, Nineteen Twenty-seven

<b>CAPITAL STOCK</b>	<b>\$2,000,000 00</b>
<b>NET SURPLUS</b>	<b>2,547,189 60</b>
<b>Reserve for Unearned Premiums</b>	<b>5,182,197 70</b>
<b>Reserve for Losses in Process of Adjustment</b>	<b>964,052 00</b>
<b>Reserve for Taxes</b>	<b>150,000 00</b>
<b>Reserve for all other Claims</b>	<b>23,029 40</b>
<b>TOTAL ASSETS</b>	<b>\$10,866,468 70</b>

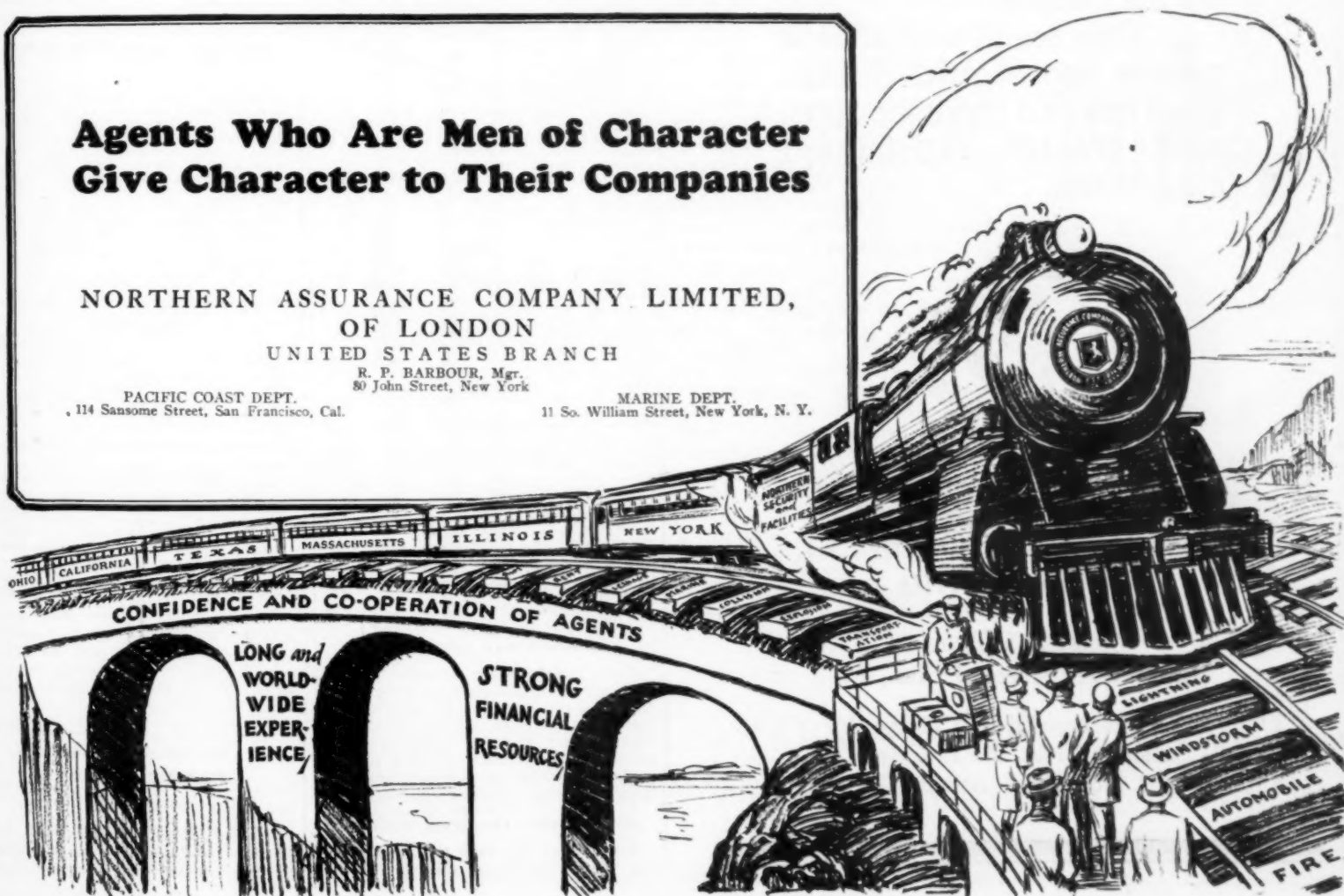
**Agents Who Are Men of Character  
Give Character to Their Companies**

**NORTHERN ASSURANCE COMPANY, LIMITED,  
OF LONDON**  
UNITED STATES BRANCH

PACIFIC COAST DEPT.  
114 Sansome Street, San Francisco, Cal.

R. P. BARBOUR, Mgr.  
80 John Street, New York

MARINE DEPT.  
11 So. William Street, New York, N. Y.





## Acceptance without Hesitation

THE agent asks, of course, that the insurance company he represents be sound, efficient, and able to provide him with every sort of policy that comes within its general field.

The Alliance Insurance Company provides him all that, and more. It gives him a Company name so widely and so favorably known that any policy bearing that name is unhesitatingly accepted by his clients.

This ready acceptance means more quickly consummated transactions, and greater satisfaction all around.



## THE ALLIANCE INSURANCE COMPANY

of PHILADELPHIA

Head Office

1600 Arch Street, Phila., Pa.

209 W. Jackson Blvd., Chicago, Ill.

231 Sansome Street, San Francisco, Cal.

8th fl. Hurt Bldg., Atlanta Ga.

It was generally stated that a written examination for the brokers would meet with favor on the part of the qualified brokers and it was generally agreed that some action should be taken. One speaker suggested an increase in the license fees to \$25 as an alternative. At the suggestion of Mr. Beha it was decided to appoint a committee of seven from the organizations represented, to draft some definite suggestion and outline a legislative program in this connection.

\*\*\*

### STOCK WAS OVERSUBSCRIBED

It is found that the recent offering of 10,000 shares of capital stock of the new Brooklyn Fire was considerably oversubscribed. It is stated that the company will start operations with \$2,000,000 capital and surplus. W. M. Tomlins, a prominent resident of Brooklyn and vice-president of the American Surety and chairman of its underwriting committee, has been elected president of the Brooklyn Fire. The company therefore starts out under very favorable auspices.

### AS SEEN FROM CHICAGO

#### INSURANCE STOCK QUOTATIONS

H. W. Cornelius of Charles Sincere & Co., Chicago investment brokers, gives the following insurance quotations as of Oct. 31:

	Par	Bid	Asked	Div. per Share
Aetna Cas. ....	100	1150	1200	12
Aetna Fire ....	100	650	660	24
Aetna Life ....	100	750	760	12
Agricultural ....	25	110	125	22
American Alli. ....	100	420	430	16
Amer. Auto. ....	10	65	68	20
American ....	5	28	29 1/2	1
American Sur. ....	50	320	340	12
Automobile ....	100	320	330	1
Bank. & Ship. ....	100	375	425	10
Camden ....	5	22	25	12
Carolina ....	10	58	60	1.40
City of N. Y. ....	100	420	430	12
Col. Nat. Life. ....	100	300	325	7%
Commonw'th. ....	100	600	620	20
Continental ....	25	220	224	6
Conn. Gen. Life ....	100	1700	1800	12
Fidelity & Cas. ....	25	187	194	5
Fidelity & Dep. ....	50	230	250	10%
Fidelity-Phen. ....	25	172	175	4
Firemen's, N. J. ....	10	48	49 1/2	22
Franklin Fire ....	25	290	300	32
Glens Falls ....	10	50	52	1.60
Globe & Rutz. ....	100	1725	1775	36
Great Amer. ....	100	420	425	16
Harmonia Fire ....	10	55	60	1.60
Hanover Fire ....	50	250	260	5
Hartford Fire ....	100	690	710	20
Hart. Stm. Boil. ....	100	800	900	14
Home, N. Y. ....	100	534	540	20
Homestead ....	10	70	75	40c
Imp. & Exp. ....	25	90	95	14
Ins. Co. of N. A. ....	10	72	75	2
Lincoln, N. Y. ....	20	92	97	4.50
Maryland Cas. ....	25	150	155	18
Merchants, com. ....	25	230	250	8
Merchants, pfd. ....	100	125	125	7
Metrop. Cas. ....	25	80	84	4
National, Ct. ....	100	830	850	20
Natl. Liberty ....	50	1000	1075	10
National Union. ....	100	295	305	12
National Surety ....	100	273	275	9
N. Amstr. Cas. ....	10	68	69	24%
Niagara Fire ....	50	360	375	10
Northern, N. Y. ....	100	350	360	10
North River ....	25	210	220	4
New York Cas. ....	25	110	120	3.50
Pacific Fire ....	25	115	125	4
Pacific Ind. ....	50	155	165	20%
Pac. Mut. Life. ....	100	800	825	20
Phoenix, Ct. ....	100	740	760	20
Prof. Acci. ....	100	450	500	23
Prov.-Wash. ....	100	530	550	14
Rossia ....	25	155	160	24
Rossia Rights. ....	15	17	17	16
Springfield ....	100	700	750	16
Stuyvesant ....	100	220	230	6
Travelers ....	100	1460	1480	16&Ex
United States ....	20	305	315	5.60
U. S. Fld. & Gr. ....	50	345	355	18%
U. S. Mer. & Sh. ....	100	305	315	8
Vulcan Ins. ....	100	100	100	6%
Westchester ....	10	68	69 1/2	2.50

### LOSSES ARE LIGHTER

Western department managers in Chicago report that losses have been much lighter during the past several weeks, aside from the St. Louis tornado claims. Many believe that the continued warm weather is responsible for the decline in losses, which is being commented upon by western managers generally.

### ROYALS WIN PREMIER TROPHY

On Monday this week the Royals and the North Americas clashed in the

## OPPORTUNITIES

This column serves as a market place where insurance wants may be made known to thousands of interested insurance men. Advertisements which are received before 9:00 A. M. Wednesday are inserted in the current issue. "Opportunities" advertisements are \$5.00 an inch for one insertion.

The National Underwriter  
Chicago

### FIRE UNDERWRITER

Recognized ability; long, thorough experience in high Executive positions; wide Agency acquaintance; intimate knowledge conditions throughout United States. Will consider Home Office or possibly Department Branch opportunity commensurate with ability. Can effect excellent connections for good business. Address C-43, care The National Underwriter.

### Union Fire and Conference Casualty Company Wanted

General Agency located in medium size town in most desirable part of Minnesota has opening for additional Union Fire and Conference Casualty Company. Now operating large plant principally outside of large centers in Minnesota, Wisconsin, North Dakota and South Dakota. Proposition merits closest investigation. Interested in hearing only from companies seeking permanent connections. Address C-46, care The National Underwriter.

### WANTED IN CHICAGO

Man to take charge of Insurance department of a N. W. side mortgage and real estate business. Prefer man who lives on N. W. side and has some business of his own. Splendid opportunity for a man who will work. State experience. Salary and commission. Address C-14, care The National Underwriter.

### SPECIAL AGENT WANTED

Special Agent for Northern Illinois and Indiana, who has an acquaintance and following with the higher class agents, who are established and already running an Insurance Office. You must have exceptional sales ability, have some financial responsibility and devote your entire time to sales work, to represent an exclusive Automobile Insurance Company. Exceptional opportunities for advancement in one of the fastest growing companies. Apply by letter only, giving your present occupation, employer, salary expected, references, age, married or single and residence address. C-28, care The National Underwriter.

### WANTED

Young man with knowledge of underwriting to take charge of policy writing department in Chicago office. Local or General agency experience necessary. State fully qualifications, experience and salary desired. Address C-49, care The National Underwriter.

### FIRE COMPANY WANTED

California General Agency writing large volume casualty business desires state agency for fire company. Aggressive, responsible, reputable, well established organization. Replies confidential. Address C-52, care of the National Underwriter.

### WANTED

Special Agent, thoroughly familiar with Iowa and its agents, by Company writing full automobile coverage. Address C-53, care of The National Underwriter.

You will find a listing  
IN THIS COLUMN  
worth while

THE NATIONAL UNDERWRITER  
1362 Insurance Exchange CHICAGO

second and final game of the series for the premier trophy of the Insurance Baseball League of Chicago, the Royals winning 5 to 4. The series scheduled three games, but as the Royals won the first two the third will not be played. Pitcher Tate of the Royals set a record by striking out 16 men. The batting of Samuelson of the Royals was accountable for his team's scoring.

#### NORTH OPENS BRANCH

A branch office in Milwaukee has been opened by the Thomas T. North Adjustment Company of Chicago. The new branch is located at 301 Underwriters Insurance building, and A. E. Prior is in charge as manager. Mr. Prior has been with the North organization for many years, and is a member of the firm. He received his adjusting training in Chicago, and is regarded as a competent man in every way.

The business of the Thomas T. North Adjustment Company is growing rapidly. The 1926 volume was double that of the previous year, and the gross business so far this year has exceeded the total record of 1926. The organization specializes in the handling of automobile and side line losses.

W. M. Frink, western general agent of the Norwich Union, is on a western trip and was in Chicago last week.

Miss Florence Caine, who recently resigned as secretary of the Illinois Field Club, was presented with a handsome necklace by the Illinois field men who are members of the organization.

#### ADOPT FUR ALL-RISK POLICY

Companies Agree on Rate and Commission Basis, Ending Impending Competitive War

NEW YORK, Nov. 2.—As a result of a meeting here last week of representatives of the companies writing fur all-risk policies, the impending rate and commission war on this class of business has been averted and the fur business established on a sound underwriting basis. The rate has been established at 2 percent, with a minimum premium of \$6, and the commission has been established at 15 percent, with the exception of a group of excepted cities, including New York, St. Louis, San Francisco, Philadelphia, Boston, Chicago and Detroit. In these excepted cities the maximum commission will be 20 percent.

#### Ends Unsettled Condition

This brings to an end a long period of unsettled conditions in this particular branch of the business. Originally practically all of the fur all-risk business was written by London Lloyds and in the early days the rate was 3 percent with a minimum premium of \$25. At that time the commission schedule was 10 percent. Later the minimum premium was reduced to \$10. About that time the American companies entered this field and the conditions were made more lenient, as it was felt that on the old basis the business was not attractive to agents. The premium was reduced to 2 percent, with a minimum of \$6 and the commission scale was increased to 20 percent. As the business increased and more companies entered, competition increased and this year threats of decreased premiums and increased commissions called for some definite action on the part of the companies writing this class of business. There had been threats of premiums as low as 1 percent, with a minimum premium of \$1.

A meeting of the companies interested in this class of business was called and the culmination of their consideration was the announcement last week of the new premium and commission scale to be adopted on a national basis.



## AMERICAN NATIONAL FIRE INSURANCE COMPANY

8 East Long Street

COLUMBUS, OHIO

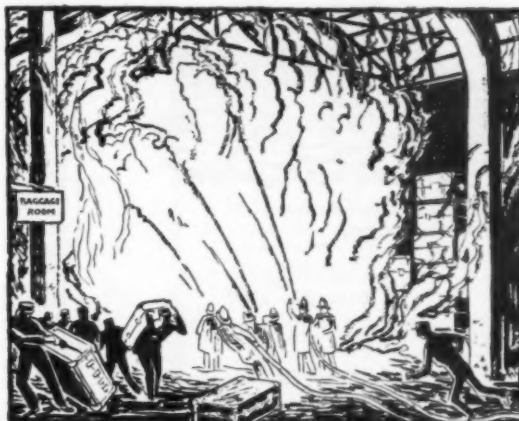
Capital \$500,000

CHARLES G. SMITH, President  
JESSE E. WHITE, Vice-President JOHN A. DODD, Vice-Pres. and Sec'y  
GEORGE E. KRECH, Secretary  
ALLEN W. FLEMING and E. PHILLIP GUSTAFSON, Assistant Secretaries

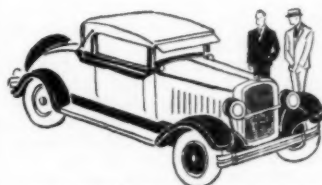
Progressive, Yet Conservative

Its Name Indicates Its Character

Operating Along Sound Lines



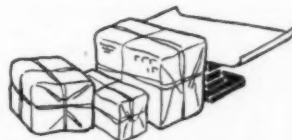
It all started with a new trunk



THE NEXT THING WAS AN AUTOMOBILE CONTRACT.....



LATER IT WAS A SPORTSMAN'S POLICY



IT WAS A PARCEL POST POLICY THAT STARTED THE AVALANCHE.....

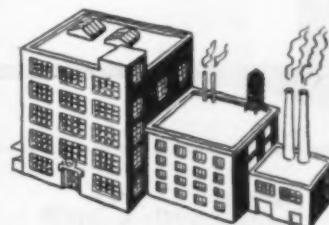
It all started with a new trunk. Wilkins happened to be in the store when Griffith bought it. Wilkins was the local Hartford agent; Griffith was the general manager of the Newton Manufacturing Company. The agent was immediately interested as he had never written a line for Griffith personally nor had he ever been able to "break in" on the business at the factory. A new trunk suggested a vacation trip and Tourist Baggage Insurance, and in five minutes the policy was sold. It just happened that that trunk and its contents were later burned when a large terminal was destroyed by fire and from then on it was clear sailing for the agent.

The next thing was an automobile contract that included the hail and windstorm rider of which Griffith had never heard. Later it was a Sportsmen's Policy when Griffith left on a month's fishing trip. But it was the Hartford Parcel Post Policy that really started the avalanche that convinced Griffith that the agent was decidedly on the job. Now it is a case of a schedule on the new addition to the plant and the possibility of a Business Interruption line on the entire plant in the near future.

Hartford agents are equipped to make the most of their opportunities.



NOW ITS A SCHEDULE ON THE NEW ADDITION.....



AND A POSSIBILITY OF A BUSINESS INTERRUPTION POLICY LINE ON THE ENTIRE PLANT.....



## HARTFORD FIRE INSURANCE COMPANY, HARTFORD, CONNECTICUT



# Show This To Your Client!



KANSAS CITY, MO.  
Oct. 12, 1927

Glover Sales Company,  
City.

Dear Mr. Alleman:

On Tuesday morning last, our cleaning room caught on fire and I thought you would be glad to know that my Schlesco-Shure Fire Extinguishing Unit installation put it out quickly.

My cleaning room is 18' X 30'. On the West side, I have four large washers and on the East side, two small washers. There are two Extractors near the center of the room. All washers and both Extractors are equipped with Schlesco-Shure Units. Units are also placed in other parts of the room.

The fire started in one of the big washers in the corner and followed the cleaner to one of the Extractors and in a moment, the entire room was in flames. I thought my business was gone, but in another moment the entire Schlesco-Shure installation let loose. The fire was soon out and I found that the only loss was four garments. Washer in which the fire started shows practically no evidence that it was ever in a fire.

I will highly recommend "Schlesco-Shure" fire protection.

Yours very truly,

MIDWEST CLEANERS AND DYERS.

By M. Wicker  
Manager



I am interested in Schlesco-Shure. Please send me complete information on how the units work and how dry cleaning establishments may secure them.

Name.....

Address.....

City.....State.....

Position.....

## "PRINCIPLES OF SELLING BY MAIL"

A Book Review from an Agent's Point of View

BY J. W. LONGNECKER

**E**VEN if we are keen about this business of insurance, with its problems, trials, tribulations, and worthwhile successes on top of a steady growth and development, we must admit that it keeps one busy. Insurance is like advertising in one respect. It takes incessant attention to trifles to reach perfection, but that perfection, when reached, is no trifle.

Insurance men know that anything that will help save time will increase profits by the dual means of permitting more of that saved time to be devoted to new, worthwhile sales and provide leisure for the study of newer, better methods of conducting the complicated affairs of a local agency.

### Lack of Time Hampers

I am convinced that it is these time-consuming details of the insurance business that has so far prevented insurance from building up a larger working library of "how to" books. And until we have more books written by insurance men, insurance men must turn to the books written for busy men by writers so situated that they do have time to put their thoughts and experiences down on paper.

One such writer is James Hamilton Picken, M. A., lecturer on advertising at the Northwestern University School of Commerce and counselor in direct mail advertising. His new book, just from the press of the A. W. Shaw Company, Chicago, is "Principles of Selling by Mail." It is a 360-page book. It costs \$6.00—and is worth the price to any agent who will read it. But the mere fact that such a book has been published will do no agent good until he does buy it, reads it, and puts its hints and suggestions to work in his own agency and uses its methods to save his own time for the bigger, more profitable things.

The volume I have just read and about which I am writing should interest the readers of THE NATIONAL UNDERWRITER because it was written to serve as an introduction to the business of increasing business by the use of the mails. It is more than an introduction, for it outlines a method that can readily enough be adapted by a local agent to his own needs. It tells how to write and how to use letters.

It is an outline and a statement of the fundamental rules or formulas for selling by mail. It is more. It gives the way to use the rules.

Of course the rules are applied, in the book and in the examples and illustrations, of which there are a large number, to the needs of business in a general way, leaving the agent who studies it free to make his own application to his own agency and to the set of circumstances under which he is laboring. When this is done, at least there will be no mad stampede by others to do exactly the same thing, a tendency that has been one of the sad chapters of insurance letter writing and which led to the adoption of the "Gentleman's Agreement of Copyright" by the Insurance Advertising Conference.

The book is an idea book, and the ideas back of the profitable use of the mails in selling can be stated many ways. Mr. Picken has used the "how" of letter writing, starting with experience and working back to the theory. In physical makeup, it is divided into four parts: "Introduction," covering in a general way the business letter and its use. Part 2, "Rules and Formulas," touches on the fundamentals, on complete mailing (and this covers the use of inserts, such as are furnished by companies) analyzing propositions and prospects, adjustments by letters, collection letters and how to avoid bluntness and the fool things we all do in a letter on occasion.

In Part 3 the author gets down to cases, as I see the needs of insurance

agents, and discusses mailing lists and records, mail selling under heads such as "general promotion" and the broader, more general and extremely important business of creating good will and maintaining a pleasant contact with people by letter. Part 4 is for the big agency, with its correspondents and its corps of stenographers, or typists, and for company officials, for it deals with "Correspondence Supervision."

### Not Only Agents Could Profit

Any agent will agree with the statement that the men out in the field producing the business are not the only fellows who could get more usable information into a letter if they went about it by rule and method. "Estimates have been made," says the book, "that set the proportion of first-class business letters at probably not more than 5 percent of the total going through the mails. Another 25 percent or 30 percent are classed as reasonably serving the purpose for which they are written. The remaining 65 percent or 70 percent fail in various respects to measure up to the standards of good letter-writing."

### Publishers Will Send Book

If that be true, there are kernels of help in "Principles of Selling by Mail" for those readers of THE NATIONAL UNDERWRITER who are quietly reading up on the things that are helping the leaders in other kinds of business make a big success out of their line. I am sure the publishers will appreciate the needs of the local agents and will see the point of difference between your needs and the needs of the correspondent in many other lines, and to this end will send you a copy for critical examination and purchase if it looks good to you when you have thumbed over its splendid index. But be sure you mention THE NATIONAL UNDERWRITER when you write. At any rate I have told you about the book. The decision whether you want it or not rests with you.

### Wysong Was Initiated

At a recent initiation held by the Indiana Blue Goose, Insurance Commissioner Clarence C. Wysong became a member and he also attended the banquet of the grand nest at Dallas where he was attending the sessions of the American Life Convention. Mr. Wysong is already an enthusiastic Blue Goose and says that he believes heartily in the principles which it stands for and that it is an excellent medium for promoting good will and mutual understanding among the members who may belong to groups of companies more or less antagonistic in their business relationships. Homer G. Meek, most loyal gander of the Indiana pond, presided at the meeting and 16 goslings took their first swim. He was ably assisted by a degree team headed by Lemuel Gockel, H. H. Wells and H. L. Barr.

### Pennsylvania Examination

PITTSBURGH, Nov. 2.—According to an announcement by Matthew H. Taggart, insurance commissioner of Pennsylvania, the second examination for applicants for agents' licenses to be conducted by the state insurance department will be held Nov. 5 in Pittsburgh, Philadelphia, Erie, Scranton, Harrisburg, Johnstown, Hazelton and Williamsport.

There are 1,040 applicants to sell life insurance, 98 for fire, 123 for casualty. Most of the 1,261 applicants will appear at Philadelphia and Pittsburgh for the examinations, 410 of these taking the examinations for life insurance agents, 15 for fire, 19 for casualty in Philadelphia and 323 for life, 32 for fire and 42 for casualty in Pittsburgh.

## SOME RECENT COURT DECISIONS IN THE FIELD OF FIRE UNDERWRITING

**In Absence of Fraud Valuation on Insured Property in Valued Policy Held Conclusive on All Parties.**—In *Lee vs. Hamilton Fire*, supreme court of New York, trial term, New York County, 233 N. Y. S. 441, the company issued a valued policy covering an automobile truck in which the valuation was stated to be \$5,720. The truck was practically destroyed by fire. Following this, appraisers were appointed who fixed the loss at \$2,700. The insured declined to accept this appraisal as the measure of recovery and brought action to recover the face of the policy. In passing upon the questions raised, and in finding for the plaintiff, the court said:

### Fixed Value of Truck

"Defendant insurance company agreed, by issuing the policy, that the subject of insurance was of the value of \$5,720. In other words, the insurance company fixed that amount as liquidated damages in the event of total loss.

"I am of the opinion that no construction can be placed on the policy involved in this suit, other than that it was a valued policy. This being so, was the loss total, and what effect did the arbitration and appraisal have?"

"I have concluded, from the testimony of all the witnesses called, that the loss was one which was beyond repair. The fire entirely destroyed the building in which the truck was stored, and the truck itself was so burned that the steel frame and other metal parts were bent, twisted and rendered worthless. In view of the substantial believable evidence, the court is warranted in finding as a matter of fact that the loss was a total one.

### Arbitration Not Necessary

"The defendant urges that, even if the loss be total, the plaintiff is barred from recovering any sum other than the amount of the award fixed by the appraisers. Were the loss a partial one, the award of the appraisers would be binding upon the plaintiff, assuming that the appraisers were selected as provided for in the policy. Inasmuch as the loss was a total loss, the agreement to arbitrate and the award following does not preclude plaintiff from seeking to recover the total amount claimed to be due.

"Having determined that the loss was a total one, plaintiff is entitled to recover the full amount of insurance specified in the policy."

**Where Insured Placed Incumbrance on Part of Personal Property Covered by Fire Policy, Held Entire Policy Was Rendered Void for Breach of Condition.**—In *Heliotos vs. Great American*, supreme court of New Jersey, 138 Atl. 97, the company issued four fire policies for \$2,500 each covering merchandise and fixtures in a single store building. The policies provided that they should become void if the subject of the insurance became incumbered without the consent of the company. The insured placed a mortgage upon a part of the property in violation of the terms of the policy. The property was thereafter destroyed by fire. The company denied liability and the insured brought action contending that the placing of the mortgage upon a part of the property did not void the policies in respect to the goods destroyed which were not covered by the mortgage. The trial court directed a verdict for the defendant company. The higher court in reviewing the record and in upholding the ruling of the trial court, said:

### Has Important Purpose

"The purpose of this provision (provision against incumbrance) is quite apparent. An insurer must rely upon the character and good faith of the assured and upon his interest in the preservation of his property from destruction by fire. One who is the sole and unconditional owner of property is likely to be more

concerned about its preservation than one who merely has a fractional interest therein. Similarly, one who holds property free from incumbrance is likely to take greater pains to protect it than one who has merely an equity in it.

"This declining interest would affect not only the property covered by the mortgage, but all other property covered by the policy, where, as here, it was all in the same building and the risk substantially the same on all. For these reasons it is provided that the incumbrance shall void the entire policy. A chattel mortgage in the eyes of an insurer is an indication of the possibility of an undesirable risk.

"The argument of plaintiff with respect to the unfairness of a forfeiture of a policy, if only part of the property is incumbered, ignores a very vital consideration. The fact that an assured has or subsequently obtains a chattel mortgage on insured property is equally as important to the insurer as the extent of the mortgage."

**Placing Incumbrance on Insured Property Held to Void Fire Policy. Where Insurance Company Without Knowledge That Property Had Been Incumbered Demanded Payment of Premium Notes, Held Not to Constitute Waiver of Provision Voiding Policy for Incumbrance.**—In *Couch vs. Fidelity-Phenix Fire*, court of appeals of Kentucky, 295 S. W. 1054, the company issued a policy for five years covering a dwelling. The policy contained the usual provision which provided that it should be null and void if the property was incumbered without the consent of the company. The insured paid the first premium and gave premium notes which were due and payable at certain dates thereafter. The insured placed a mortgage on the property without the knowledge of the company. The property was thereafter destroyed by fire, and the company sought to collect the over-due premium notes while in ignorance of the fact that the property had been destroyed by fire.

### Company Had No Knowledge

Following this, the insured gave notice of the fire and sought to recover under the policy. In this action the insured took the position that the attempt of the company to collect the premium notes constituted a waiver of the provision in the policy against incumbrance. The trial court found in favor of the company. On appeal the higher court in affirming this judgment, said: "In the late case of *Niagara Fire vs. Mullins*, 218 Ky. 473, 291 S. W. 700, the court considered at length a policy provision similar to the one in this case, providing a forfeiture in the event the property was subsequently mortgaged and incumbered. The validity of the provision was upheld, and it was also held that the placing of such incumbrance was material to the risk, and not affected by section 639 of the Kentucky statutes.

"It was further held, at least inferentially, that a failure to cancel the policy after the recordation of such instrument was not, in the absence of actual notice, in itself evidence of an intention by the insured to waive the forfeiture provision. No difference is perceived in the two cases. It is not intimated that insurer had actual notice of this incumbrance, and there is nothing in its conduct to intimate that it intended to waive it, and this is sufficient basis for the ruling of the trial court, and renders it unnecessary to consider the effect of the mortgage that existed upon the property at the time the policy was issued, or of the alleged waiver of the suspension clause resulting from nonpayment of the premium."

**Whether Within the Provisions of Insurance Policy Insured May Be Deemed Unconditional Owner of Property When**



**Our 75th Thanksgiving**

With the loyalty and friendship of our agents which has so evidenced itself this year, our 75th anniversary, we approach the Thanksgiving season with much sentiment and gratitude in our hearts.

**THE HANOVER FIRE INSURANCE COMPANY** *of New York*

Charles W. Higley, President  
NEW YORK CHICAGO SAN FRANCISCO

## Would You Reinsure a RISK of Only \$100?

### Illustration of a Typical \$10,000 Risk

COVERED BY REINSURANCE			COVERED BY REINSURANCE
	\$10000		
	\$9000		
	\$8000		
	\$7000		
	\$6000		
	\$5000		
	\$4000		
	\$3000		
	\$2000		
	\$1000		
Pro-Rata Reinsurance Pro-Rating All Losses			
Specific Excess Reinsurance Against Excessive Losses			

Then why pay for reinsurance against small LOSSES you can better afford to take care of alone?

## Specific Excess Reinsurance

gives protection where you want it—on heavy Losses—and cuts the overhead expense of handling losses within your limits. For information write

## INTER-OCEAN REINSURANCE COMPANY

CEDAR RAPIDS, IOWA

Assets \$2,569,807.88

Reserves \$1,619,403.66

Surplus to Treaty Holders \$950,404.22



Over a Century of Faithful Service

# NEWARK

## Fire Insurance Company

Newark, New Jersey

A Permanent and Progressive Company

T. L. FARQUHAR  
President

C. E. TITSWORTH  
Vice-Pres. and Treas.

WESTERN DEPARTMENT  
Chicago

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**Holding Under a Conveyance in Fraud of Creditors.**—Action on a fire insurance policy issued by the defendant to the plaintiff. The plaintiff and her husband had been the joint owners of the property covered by the policy, but prior to the issuance of the policy the husband conveyed a one-half interest to the plaintiff, so that at the time the policy was issued the plaintiff had record title to the property. Thereafter the husband went into bankruptcy and the trustee in bankruptcy brought an action attacking the conveyance from the husband to the plaintiff as in fraud of creditors. In the meanwhile the property was destroyed by fire. The trustee was successful in having the conveyance adjudged fraudulent and the trustee the owner of the one-half interest. The policy contained a provision that the insured must be the unconditional and sole owner of the property. Defendant contended in this action that no recovery could be had on the policy because that provision had been reached.

### Held Plaintiff Should Recover

Held, that the plaintiff should recover on the policy. The authorities uniformly held that when the insured holds under a conveyance made in fraud of creditors, the condition as to unconditional and sole ownership is not breached. The grantee in such a case is absolute owner as to every one except the defrauded creditors and as to them he is no owner at all. The defrauded creditors are the only ones who are entitled to attack the conveyance and the insurer cannot attack the conveyance because it might appear that the creditor does not care to attack it himself.—*Short v. National Union Fire, U. S. Dist. Ct., Eastern Dist. of Kentucky.*

### TRAVELERS ISSUE BEFORE MASSACHUSETTS AGENTS (CONTINUED FROM PAGE 5)

to conform to local board rules as it did at Portland, Me., where the company got the local board to change its rules to allow the company to do what it wanted to do.

### Block Expression on Issue

Fred R. Smith, former president of the Massachusetts association, then came to the support of Mr. Cole and said that he thought perhaps the agents had been hard on the Travelers and

perhaps some expression should be voiced which would indicate that company had not been to blame. Audible objections from various parts of the hall stopped any further action along this line.

Mr. Smith also reviewed the work of the New Orleans convention, as did A. A. Klinko of the National association.

Wellington Wells, president of the Massachusetts senate, discussed the carrying on of state affairs, emphasized the tremendous saving brought about by adoption of the budget system and urged insurance men to take an active part in selecting their representatives in the government.

John W. Downs, manager of the Insurance Federation of Massachusetts, told of the situation in regard to labor's measure for a state fund for workmen's compensation.

### New Minimum Rates Discussed

Ralph Sweetland, secretary of the New England Insurance Exchange, spoke briefly of the new minimum rate pamphlet issued by the exchange. He said it showed a marked reduction on small out-buildings, which included garages, and a sharp reduction on better dwellings within 500 feet of hydrants. Other less favored risks showed some advance. He believed the agents would like the new rates better as they became more familiar with them.

President William C. Moulton of Pittsfield reviewed the work of the past year. Secretary-Treasurer Fred A. Norton of Salem reported the membership as 328, a net loss of 26 since a year ago, although 12 new members had been taken. Edward T. Cole reported for the legislative committee, Warren C. Shaw of Brockton for the conference committee, Fred R. Smith for the membership committee and Norman A. Brainard of Springfield for the fire prevention committee.

A resolution of thanks and appreciation to Commissioner Monk for the putting into operation the law requiring the written examination of agents in Massachusetts was adopted.

"I still have the first dollar I ever made," said a penitentiary bird. "Yes, being my first it was quite imperfect and I had difficulty in getting it into circulation."

### EXPLANATION IS GIVEN OF U. & O. FORM IN A MANUFACTURING PLANT

BY FRANK L. ERION  
Independent Adjuster

**R**EQUEST has been made for an application of the manufacturing plant U. & O. form to a loss involving building, factory equipment, raw stock and stock in process.

As a basis, consider a shoe factory operating 300 days per year with U. & O. insurance of \$1,000 per day and contemplate a total destruction which includes raw stock and stock in process. Assume that temporary quarters cannot be secured and that manufacturing cannot be resumed until the destroyed plant has been restored.

Factors of the U. & O. adjustment determined as follows: Length of time necessary to restore the building and equipment, four months. Stock in process. Length of time necessary to restore to the point where fire overtook it, two weeks.

### Factory Running at Full Capacity

The factory was running to capacity and in the usual course of business shoes were finished four weeks after they were cut and manufacture started. It is obvious that it would take four weeks to finish the shoes started the day before the fire, but shoes that were started three weeks and five days earlier would have been finished the following day; hence the average would be just

half the time of the natural process. In such a case, it is not necessary to determine the time for each lot or work out in detail the partial operation for each day.

### Raw Stock Factor

Raw stock—Agreed that new raw stock could be secured before the plant could be restored. This is the usual condition, but if the raw stock could not be secured, the U. & O. insurance would be liable for the time the destroyed raw stock which was on hand would have made operation possible.

This period of time would in such a case run concurrent with the time necessary to restore stock in process and reduce or eliminate that item.

U. and O. value per diem found to be \$962.80.

U. and O. value per annum 300 days at \$962.80—\$288,840.

### Insurance Liability:

Four months to restore plant is just one-third of a year; therefore, the U. and O. liability for that period is one-third of the annual U. and O. value or \$96,280. Expressed in days, it is 100 days at \$962.80.....\$96,280.00  
Two weeks to restore stock in process—12 working days at \$962.80 ..... 11,553.60

Total liability .....\$107,833.60

## MUCH ADDITIONAL WORK ON ST. LOUIS LOSSES

It will take some weeks yet for the adjusting companies and independent adjusters to clean up the St. Louis tornado losses. Both the Western Adjustment and the Underwriters Adjusting Company sent extra men to St. Louis to assist with the work. The Western Adjustment found it necessary to enlarge its St. Louis clerical staff and hence dispatched seven or eight employes from the Chicago general office to that city. Even then the work could not be gotten out of the way and for the time being the Chicago office is handling part of the St. Louis work. If the general loss ratio in the central west continues as favorable for another four weeks as it has recently the adjusting companies will not find their work congested. If, however, a run of losses should start the adjusting companies with so many of their men at St. Louis, would find themselves confronted with a difficult situation.

## QUESTION OF VALUE OF LOCAL AGENCY ANSWERED

Question—As a subscriber for a good many years to your good paper, I am going to ask if you can give me some information. I am considering a deal for my insurance business, and don't hardly know what such a business is worth, therefore I am asking you what such a business would sell for. I suppose some percent of the amount of business.

This city is about 10,000 population. Of course, like any other city there are a good many insurance agents. I have on the books about \$24,000 in premiums, about \$10,000 in premiums will expire in a year, annual and term business. The other \$14,000 of course is term business.

About \$8,000 of the business on the books is subject to 15 percent and the other \$16,000 is subject to 20 and 25 percent, which usually gives me a profit of about \$2,000 in commissions per year, or \$4,400 of all business on the books.

With these explanations before you, I am hoping that you can give me some idea of how much such an agency is worth. I have been in the business 23 year and all the business on my books I have gotten myself.

Answer—A local fire insurance agency is commonly considered to be worth the commissions earned by the agency in one year. At least that is the figure to start with. If there is any cut rate or rebated business, the value would be less. If the agency was new, the value would be less. The term business which was written during the year taken as the basis is all that counts in the value. In a well established agency, the term business will run about the same except for natural growth. That is, the commissions on the term renewals next year will be about the same as the commissions on term renewals last year. Therefore, to take the actual commissions in any one year gives the right value on all the term business.

The fact that the business is all your own, without any brokerage, would mean that the agency should be worth about full price, or about the commissions for one year, provided it is full rate business.

## Two Michigan Marine Losses

LANSING, MICH., Nov. 1—A private yacht and an ancient railroad steamer were involved in ship losses of the past week in waters bordering this state. The Mindoro, a pleasure craft owned by H. H. Harris of Boston, was rammed by the freighter Worrell Clarkson in the St. Clair river at Port Huron. Damage, which was being estimated by insurance adjusters late last week, was believed to have been confined to the upper portion of the yacht, which did not sink after the collision. Fire gutted and sank the old Pere Marquette No. 8 freight and passenger steamer as she lay at her moorings in Manistee harbor. The ship was built in 1888 and had not been in use for the past two years. A blaze of undetermined origin broke out twice inside the ancient craft, the second time getting beyond control.

# The WESTERN Affiliated Companies



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The Western Automobile Casualty Co.  
The Western Fire Insurance Co.

Established in 1910

Operating in 18 States

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Combined Capital and Surplus, \$1,059,040

Cash Income, 1926 - - - - \$1,733,186

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## THE NATIONAL UNDERWRITER

Formerly THE WESTERN UNDERWRITER

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### Example of Government Printing

William R. Baker, Kansas insurance commissioner, has just received the 1925 insurance report from the state printer. The copies of the report are being forwarded this week to the companies and those on the regular mailing lists. The state printer still has on hand the 1926 and the 1927 reports, all of them in type but apparently not yet printed and ready for the bindery. It may be another two or three years before these reports are available, judging by the time of delivery of the 1925 report. The printer appears to use the insurance reports as "time copy" and uses them to keep the plant going when there is nothing more pressing to do.

The above news item comes from the Topeka correspondent of THE NATIONAL

UNDERWRITER. It calls attention to the waste in some of the states in printing the annual reports for the state insurance department. Some states get out their reports early enough to be of real use. Others drag along until the year is about closed or after it has ended. People are then interested in new figures but the old, dead report then comes forth. Kansas seems to hold the record for delayed insurance reports. This is a waste that should be eliminated. The reports are of no value when they are printed so long after the annual statements have been filed. This is another evidence of how government can conduct a business. A private printer would have the reports out early in the season or would lose the contract.

### Lessons from St. Louis

INSURANCE men are somewhat surprised at the low tornado insurance to value in St. Louis. The loss to the companies will be heavy because a majority of the buildings were insured. Many losses more than wipe out the insurance. However, in almost all cases a comparatively small policy was taken. St. Louis people in the path of the storm find themselves severely crippled because they carried no tornado insurance on contents. This seemed to be unnecessary. As is known, there were hundreds of dwellings demolished, resulting in household furniture and other belongings being badly damaged or ruined.

St. Louis is subject to severe storms. Only last spring when Poplar Bluffs,

Mo., was hit hard, St. Louis came in for a bad tornado drubbing. It is a city so situated that it becomes a storm center. Notwithstanding the tragic lessons of the past, the people find themselves underinsured so far as buildings are concerned and scarcely any tornado insurance carried on contents.

The St. Louis windstorm again riddles the records of companies for the central west because almost all companies operating in the city will be material losers. While St. Louis is underinsured, it is one of the best insured cities from the windstorm standpoint in the country. Even at that its householders and owners took a chance by not having windstorm coverage.

### Need for More Education

THAT a need exists for the proper education of some agents is attested by an inquiry had by one of the prominent New York City fire companies from a recently appointed local representative

a few days ago as to "whether in the event of the payment of a total loss under a policy the assured would be entitled to the return of his full premium as well."

### Excuses for Failures

MANY people excuse themselves and accuse others for being responsible for their failure. There is a great tendency, to use a slang expression, to "pass the

buck." The man who always has an alibi soon weakens his spinal vertebrae so that it is difficult for him to stand straight at any time.

## PERSONAL SIDE OF THE BUSINESS

Ray Yenter, Iowa insurance commissioner, recently met with an accident while on a hunting trip at Huron, S. D. Mr. Yenter stepped into a hole in a field and his leg was broken just below the knee. He is now recuperating in a hospital at Huron.

The Huron hospital took on the aspect of a commissioners' convention when Commissioner Don C. Lewis of South Dakota, Commissioner W. R. Baker of Kansas and former Commissioners W. N. VanCamp, G. H. Helgeson and Mr. Harry O'Brien met casually in that city and in a body called on Mr. Yenter.

P. J. Moriarity of Detroit, Wayne county manager for the North British group, state agent for the North British, vice-president of the Inter-State Fire, has just rounded out 25 years of service with the North British. He started as a junior clerk in the old western department, became office supervisor, then was appointed state agent for the Commonwealth in Ohio and Michigan, later became state agent of the North British in Michigan, then manager of all the companies in the group for Wayne county and Detroit when that branch was established. He is one of the outstanding men in his state and has a large acquaintance throughout the west. He possesses an analytical mind, and has a real knowledge of true values. He served as vice-president of the Fire Underwriters Association of the Northwest, has been prominent in the Michigan organizations and has a host of friends.

Ralph B. Ives, president of the Aetna Fire, is in the Hartford Hospital, Hartford, Conn., recovering from an operation for gall-stones, performed Monday. Mr. Ives was under observation part of last week and it was found advisable to operate. The operation was successful and Mr. Ives is now recuperating rapidly but will probably be in the hospital for about two weeks.

L. Parsons Warren, connected with the Chicago local agency of Klee, Rogers, Loeb & Wolff, is receiving the condolence of his friends in the death of Mrs. Warren. Mrs. Warren was a native of Memphis and was the daughter of Mr. and Mrs. Frederick G. Huntington of that city. She died Friday of uremic poisoning. The funeral was held Monday afternoon from St. Chrysostom's Episcopal Church in Chicago. Mr. Warren is a son of the late William S. Warren, who for many years was western manager of the Liverpool & London & Globe.

Insurance men are following with considerable interest the country-wide tour of Miss Patricia Collinge in Sir J. M. Barrie's play "What Every Woman Knows." Miss Collinge is the wife of James N. Smith of the New York reinsurance firm of Meinel & Wemple, and daughter-in-law of Harry A. Smith, president of the National of Hartford. Miss Collinge is one of the somebodies of the stage, and has headed the cast in numerous hits.

W. N. Achenbach assumed office as western manager of the Aetna on Tuesday of this week and on that day found his office banked with beautiful bouquets from the office employees, company officials and field men. All of Mr. Achenbach's insurance experience has been with the Aetna, and he is well known to all who are in the company's service in the west.

The Woodworth-Hawley agency of Buffalo, N. Y., celebrated its 60th anniversary last week, a meeting of company representatives being held on that occasion. Representatives of 22 companies



E. S. HAWLEY

were present and were entertained by E. S. Hawley of the agency firm, who celebrated his 83rd birthday at the same time.

With the election of John M. Thomas, western manager of the Aetna to the vice-presidency of the Fire Association at its head office in Philadelphia, the latter becomes a veritable Texas hot-bed. President James W. Cochran and Mr. Thomas were formerly partners in the Cochran, Thomas & Co., general agency at Dallas. Ed. L. Kelley, secretary, was special agent for the general agency. Walter L. Maillot, vice-president of the Fire Association, was formerly Texas state agent for the New York Underwriters. He was on intimate terms with both Messrs. Cochran and Thomas while he was in the state. He married a Dallas girl and therefore is hooked up with Texas very intimately. C. C. Wright, vice-president and general manager of the Constitution Indemnity, the running mate of the Fire Association, was formerly Texas state agent for the Fireman's Fund.

John M. Thomas will be the guest of honor at a testimonial dinner to be given to him by his managerial associates in Chicago this (Thursday) evening at the Mid-Day club. Mr. Thomas retired on Nov. 1 as western manager of the Aetna and will leave Chicago next Saturday for Philadelphia to assume his new duties as vice-president of the Fire Association and affiliated companies.

C. R. Tuttle, western manager of the North America, will preside at the dinner as toastmaster. The committee in charge of the arrangements consists of Mr. Tuttle, A. G. Dugan, Hartford; C. A. Street, Great American; H. A. Clark, Fireman's, and J. C. Harding, Springfield. J. W. Cochran, president of the Fire Association group, will attend the dinner.

A. A. Maloney, Los Angeles adjuster, was in Chicago this week. Mr. and Mrs. Maloney spent four months in the east, locating on Long Island. They will be at the Lucerne Hotel at Kansas City for the next two or three months and then will go on to Los Angeles.

Raymond T. Sweeney, state agent of the Caledonian in Kentucky and Tennessee with headquarters at Louisville, was married Oct. 29 to Miss Margaret E. Genung of the same city. A few personal friends witnessed the ceremony. Mr. and Mrs. Sweeney left immediately on a motor trip and on their return will reside at 1333 Castlewood avenue, Louisville.

# The Price of Carelessness Is Death

It is estimated that 800 women are killed annually by using gasoline for home cleaning — a staggering toll exacted by carelessness.

Other hundreds are maimed or killed by using kerosene for starting fires.

Insurance should co-operate with the authorities in broadcasting the right way and the wrong way to use flammable liquids.

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# FIRE INSURANCE NEWS BY STATES

## OHIO AND WEST VIRGINIA

### WANT COMMITTEE APPOINTED

#### Efforts Being Made to Interest Columbus Chamber of Commerce in Fire Protection

COLUMBUS, OHIO, Nov. 2.—Efforts are again being made to interest the Columbus chamber of commerce in fire protection measures. A year ago when Percy Bugbee, field engineer of the National Fire Protection Association, visited Columbus, the executive committee of the chamber of commerce undertook to establish a fire prevention committee of the chamber. Nothing ever came of it, however.

Columbus has not been attracting attention on account of unusual losses, but there are some things that should be brought about in the interest of fire protection. The fire department lacks a drill school for firemen and is poorly organized in inspection work. Lack of salvage operations is another weakness.

Cincinnati is pointed to as an example of what can be accomplished by united and persistent effort for fire protection and it is rather surprising that Columbus is not becoming more interested when the good effects are so strikingly manifested in a nearby city. Cincinnati not only maintains a low loss ratio but has kept up the work for so long that it has enjoyed repeated reductions in insurance rates. The citizens of that city are now profiting to the extent of millions of dollars each year in reduced fire rates because of their efforts at fire protection.

It is pointed out that the chamber of commerce has a direct interest in fire prevention regardless of insurance rates because the chamber includes business houses, any one of which would suffer serious losses outside of the property insurance in case of fire. Any business receives a setback from a fire and the members are all directly interested in avoiding such losses.

Mr. Bugbee again visited Columbus a short time ago and it is thought that a fire protection committee may be established.

#### West Virginia Separation

Much interest is being taken in the separation program which will go into effect in West Virginia Jan. 1. As is known the West Virginia Uniformity Association established a 20 percent flat commission in the state, thus abandoning the old time excess commission contracts that were prevalent. However, it is found that some agents have taken on non-association companies with higher commissions than 20 percent, the

best part of the business going to them. A very careful check was made on the returns of companies on the business of 1926. The showing convinced the Uniformity Association companies that some action had to be taken. The new regulations force down an agent's commission to 10 percent flat if he represents outside companies.

#### New Cincinnati Insurance Buildings

Four new insurance company office buildings or additions are being erected or in contemplation in Cincinnati at the present time. The Union Central Life has about finished its splendid new annex, the Western & Southern Life is about to start on a ten-story addition to its home office building at Fourth and Broadway, the American Druggists Fire has let contracts for a large office building on Central Parkway, and the Supreme Life & Casualty of Columbus has secured a permit to erect an office building costing \$45,000.

#### Ohio Field Club Meetings

The Union and Bureau field club of Ohio will both hold their monthly meetings hereafter at the Deshler Hotel, Columbus, where the Blue Goose also will hold its Monday luncheons. The two field clubs met as usual on Tuesday of this week.

#### Plan Inspection of Salem, O.

Arrangements are being completed for an inspection at Salem, O., Nov. 9. A. E. Bulau of Columbus is the chairman of the scout committee. Various organizations at Salem are to take part in the inspection.

#### Ohio Notes

C. S. Magruder, deputy Ohio state fire marshal, suffered severe injuries in a fall a few days ago.

An explosion followed by fire destroyed several buildings at the Budd mine of the Youghiogheny & Ohio Coal Company near Steubenville, O., this week.

A loss of \$30,000 occurred when the yards of the Athens Flooring Company at Athens, O., were burned. The Frankfort Lumber Company adjoining also suffered some loss.

At Somerset, O., W. V. Zartman has sold his agency to John W. Brunn and at Geneva, J. W. McCarty has sold an interest in his agency to Charles S. Amidon. The agency will hereafter be known as McCarty & Amidon.

Fire at Pickerington, O., this week wiped out half a dozen buildings and caused a loss of \$35,000. Apparatus sent from Columbus, a distance of 24 miles, helped to put out the fire and save the town. The old Groves Hotel and John C. Harner, hardware dealer, were among the losers. Mr. Harner is a member of the city council. He says the village will now buy fire apparatus of its own.

## CENTRAL WESTERN STATES

### INDIANA AGENTS' CONVENTION

#### Program Announced for Annual Meeting of State Association to Be Held in Indianapolis Next Week

The annual meeting of the Indiana Association of Insurance Agents will be held in Indianapolis Monday and Tuesday of next week at the Claypool Hotel. Joseph W. Stickney is president and he and his associates have arranged a program which is unique in certain particulars. One innovation is a breakfast session Tuesday morning to which only members of the association will be admitted. The election of officers will be held at this meeting and a free and

frank discussion of conditions in the state will be encouraged.

Another innovation, introduced to save time, will be the printing in advance of the reports of committees which will be distributed but not read from the floor. Further, while there are six principal speakers who will address the convention at the Monday afternoon and Tuesday morning sessions, the order in which they will appear on the program will not be announced until they are called upon and introduced. Among these speakers are Thomas R. Dungan, Indiana state agent of the Fidelity-Phenix, who will represent the Union companies; John W. Noble, state agent of the Security of New Haven, representing the Bureau companies; Fred A. Rye

of Chicago, western manager of the Commercial Union, George B. Muldaur of New York, general agent of the Underwriters Laboratories, and F. B. Wrecks of Chicago, marine manager of the Home.

At the banquet Monday evening the speakers will be C. C. Wysong, Indiana commissioner of insurance, and Allan Kennedy of Fort Smith, Ark., member of the National association executive committee, who will officially represent the National Association of Insurance Agents.

The Indianapolis Chamber of Commerce is sending out special final notices of the meeting and will also take care of the registration of attending members. Everything is set for a large attendance.

### PLANS ANNOUNCED FOR INDIANA INSURANCE DAY

It is the purpose of Howe S. Landers, general chairman of Indiana Insurance Day which will be held Jan. 24, 1928, to have a well balanced program, emphasizing all branches of insurance. To this end it is announced that the life men will conduct an agency managers' school of instruction on the day preceding the convention. It is also announced that Elbert Storer, state agent of the Bankers Life, has been appointed chairman of the reception committee. This rounds out the executive committee which will have charge of the event. Other members of the executive committee are William L. Leonard, chairman of the speakers committee; Robert E. Throckmorton, chairman of registration; Fred Robertson, chairman of publicity, and C. F. Merrill, chairman of entertainment. Joseph W. Stickney, president of the Insurance Federation of Indiana; Hugh E. Reynolds, secretary of the Federation, and C. C. Duck, treasurer of the Federation, are also members of the executive committee.

### Illinois Federation Conducts Meeting

L. J. Kempf, manager of the liability department in the Chicago office of the Travelers and president of the Insurance Federation of Illinois; William M. Byrne, St. Louis, president of the Insurance Federation of America, and John C. Lanphier of Springfield, Ill., head of Lanphier & Co., local agents, were the speakers at the meeting of the Illinois Federation at East St. Louis, Ill., last week.

About 50 local agents from cities and towns within a radius of 50 to 70 miles of East St. Louis attended. The addresses in each case took the form of reports of the work of the federation.

### Organize Michigan Arson Squad

LANSING, MICH., Nov. 1.—The state fire marshal's office has undertaken the organization of arson squads in all the leading Michigan cities. This work has been conducted largely by O. L. Topping of the National Board, a former fire marshal of West Virginia and a noted authority on the subject of arson and its detection. Charles V. Lane, assistant state fire marshal, accompanied Mr. Topping during most of his Michigan tour and helped him in forming about a score of arson squads. Practically every one of the larger cities of the state now has the nucleus of such an organization and if the local authorities continue to give cooperation, it is anticipated that more effective investigatory work will be carried on in the future and more arson convictions obtained. Previously only Detroit has had an active arson squad. Grand Rapids started to organize a squad but never managed to make it operative. That city, however, now heads the list of out-state municipalities organized by Mr. Topping.

### Tells Value of Appraisal

LANSING, MICH., Nov. 1.—Up-to-date appraisals of all valuable property were advocated as vital to proper insurance

protection by William F. Worcester of the Rau Appraisal Company of Chicago, in a talk before the local Kiwanis Club.

Too few business men know what their insurance policies contain or what the various provisions mean, Mr. Worcester declared. He advised the club members to read their policies carefully and have them interpreted, if necessary. Co-insurance, he maintained, is little understood even by many persons whose property is insured in this way. "Co-insurance is fair to everyone concerned," he said, "but it does presuppose accurate knowledge of the value of his property on the part of the owner. Depreciation is one of the main points of difference between the insurance requirement of 'actual condition' and the accountants' 'straight line' method. In many cases the average accountant places the value too low on the books." With proper appraisal information, the speaker declared, insurance adjustment is made equitable and easy.

### Collect on Peninsular Subscriptions

MARSHALL, MICH., Nov. 1.—Collection of stock subscriptions from those who failed to pay in full for stock in the defunct Peninsular Fire of Grand Rapids is being pressed by the Michigan Surety of Lansing, which took over the assets of the company, it was revealed here this week when judgment for \$5,260 was rendered against Charles H. Katz, a farmer. It was brought out that Katz subscribed for 20 shares of stock, paying \$1,250 down and giving a note for \$3,800. He failed to pay the note and suit was brought for the full amount plus interest. It is said that several other similar actions will be brought in this vicinity as considerable of the stock was sold hereabouts. Appeal to supreme court will be taken in Katz case, the defense announced.

### Water for Royal Oak

ROYAL OAK, MICH., Nov. 1.—Authorization was given the city manager last week to advertise for bids on the construction of a 48-inch water main from the eight-mile to the ten-mile road to supply Detroit water to Royal Oak and nearby communities. Work is expected to start early in the spring. The water will be pumped into a tank holding 1,500,000 gallons.

Another nearby village incorporation, Oak Park, voted down a \$300,000 bond issue for water mains this week and a movement is now expected to join that village with Ferndale. The two communities, it is anticipated, if consolidated, will probably attempt to secure water through the Royal Oak system.

### Two New Michigan Agencies

LANSING, MICH., Nov. 1.—Two new Michigan corporations include operation of insurance agencies among their powers. The new agencies are: Investment Securities Company of Ann Arbor and the First Investment Company of Manistique. The former is capitalized at \$50,000, and its incorporators are Harry R. Cooley, Philip S. Schumacher and John C. Fritz, all of Ann Arbor. The Manistique concern has capital of \$50,000. The incorporators are Virgil I. Nixon, George H. Brusie and Jennie S. Putnam, all of Manistique.

### Big Highland Park Apartment Loss

DETROIT, Nov. 1.—A loss in excess of \$250,000 was recorded here early Monday when the Glendale Lodge apartments, Highland Park, were gutted by flames. The structure, owned by Abraham Cohen, contained 84 apartments. The building was valued at \$500,000 and furnishings at \$250,000. The latter were not insured. The manager of the apartment and his wife were so occupied in notifying tenants and in combating the fire that no alarm was turned in for an hour, it was said. Sparks from an incinerator were alleged to have set the blaze.

### Elgin Seeks Resurvey

ELGIN, ILL., Nov. 1.—Merchants of this city, through their association, are seeking a resurvey of the city which will bring about reduction of the fire insurance classification on business property. Mayor Kelly is head of the committee which will meet with representatives of

## LOYAL TO PRINCIPLE—TO LOYAL AGENTS, LOYAL

NEAL BASSETT, President

A. H. HASSINGER, Vice President and Secretary

JOHN KAY, Vice President and Treasurer

WELLS T. BASSETT, Vice President and Secretary

### JANUARY 1ST, 1927, STATEMENTS

#### ORGANIZED 1855 FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY

ASSETS	LIABILITIES	CAPITAL	NET SURPLUS	SURPLUS POLICYHOLDERS
\$27,602,649.57	\$17,796,927.66	\$5,000,000.00	\$4,805,721.91	\$9,805,721.91

#### ORGANIZED 1853 THE GIRARD F. & M. INSURANCE CO. OF PHILADELPHIA, PA.

\$5,648,862.17	\$2,938,563.59	\$1,000,000.00	\$1,710,298.58	\$2,710,298.58
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#### ORGANIZED 1854 MECHANICS INSURANCE CO. OF PHILADELPHIA, PA.

\$4,452,703.00	\$2,748,734.22	\$600,000.00	\$1,103,968.78	\$1,703,968.78
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#### ORGANIZED 1866 NATIONAL-BEN FRANKLIN FIRE INS. CO. OF PITTSBURGH, PA.

\$4,725,350.94	\$2,702,814.94	\$1,000,000.00	\$1,022,536.00	\$2,022,536.00
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#### ORGANIZED 1871 SUPERIOR FIRE INSURANCE CO. OF PITTSBURGH, PA.

\$4,600,981.46	\$2,598,996.65	\$1,000,000.00	\$1,001,984.81	\$2,001,984.81
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#### ORGANIZED 1870 CONCORDIA FIRE INSURANCE CO. OF MILWAUKEE, WIS.

\$5,261,240.09	\$2,942,034.49	\$1,000,000.00	\$1,319,205.60	\$2,319,205.60
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#### ORGANIZED 1886 CAPITAL FIRE INSURANCE CO. OF CONCORD, N. H.

\$724,764.95	\$733.34	\$300,000.00	\$424,031.61	\$724,031.61
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TOTAL ASSETS  
\$53,016,552.18

TOTAL LIABILITIES  
\$31,728,804.89

TOTAL NET PREMIUMS  
\$25,001,307.09

PHILADELPHIA, PA.  
CHICAGO, ILLINOIS  
Western Department  
844 Rush Street  
H. A. CLARK, Manager

HOME OFFICES  
NEWARK, NEW JERSEY  
CONCORD, N. H.      MILWAUKEE, WIS.  
DEPARTMENT OFFICES

PITTSBURGH, PA.  
SAN FRANCISCO, CAL.  
Pacific Department  
60 Sansome Street  
W. W. & E. G. POTTER, Managers

## LOYAL TO PRINCIPLE—TO LOYAL AGENTS, LOYAL



"Be it ever so humble,  
There's no place like home."



The old home at Easthampton, L. I. of  
John Howard Payne, author of  
"Home Sweet Home"

## THE HOMELAND INSURANCE COMPANY of AMERICA

150 William Street, New York

Writes FIRE and all Kindred lines.

It is operated by the  
**North British and Mercantile Insurance Company,**  
Limited

with a century of successful underwriting  
experience behind it.



the National Board and the Illinois Inspection Bureau with this end in view. The city is now rated in Class 5, but business men are hopeful that it will be advanced to Class 3 or 4. The last survey was in 1923 and recommendations made at that time have been acted upon. The most recent improvement was the addition of a 1,000-gallon pumper at a cost of \$13,000.

### Illinois Notes

The Retail Druggists Mutual Fire of Cincinnati has been licensed in Illinois. The Germantown Township Mutual Fire & Lightning of Germantown, Ill., has extended duration of its charter for 25 years from Nov. 20, 1927.

Ross E. Coffin, manager of the insurance department of the City Trust Company of Indianapolis, has been elected secretary of the Indianapolis Fire Insurance Agents' Association.

### NORTHWESTERN STATES

#### MILWAUKEE BOARD ELECTION

President Fred J. Lewis and Other Officers Renamed for Second Term at Annual Meeting

MILWAUKEE, Nov. 2.—Fred J. Lewis, vice-president of the George H. Russell Company, was reelected president of the Milwaukee Board at its annual meeting. The other officers were also reelected and include: Vice-president, Monroe Porth, Ed Porth & Sons; secretary, Emil P. Hunkel; treasurer, William F. Lynch, Blatz-Kasten Co. Directors elected to serve a term of three years are B. A. Lehnberg, vice-president Chris Schroeder & Son Co.; Val Gottschalk, Gottschalk & Hargarten, and Paul Schuengel, Milwaukee Mechanics. They succeed Henry Eckstein, president of the C. F. Hibbard Co.; Joseph Williams, Northwestern National, and August Rebhan, deceased.

The annual report of the president was referred to the board of directors and when they pass on it the report will be made public. The principal thing occupying the attention of the board members at present is the suit brought against it by Bert C. Broude, which is now in a preliminary stage. The last move in the case was the examination of Broude by the attorney for the Milwaukee Board.

#### Minneapolis Club's Membership Drive

MINNEAPOLIS, Nov. 1.—Every member of the Insurance Club of Minneapolis has been placed on an enlarged membership committee with instructions to bring in at least one new member. The first reports were made at the regular meeting today, when several new members were announced. L. E. Hadlestad is chairman of the committee.

Leut.-Gov. W. I. Nolan was the principal speaker at the meeting this week.

#### Inspect Waupun, Wis.

Waupun, Wis., was inspected by about 30 field men of the Wisconsin Fire Prevention Association Oct. 28. Of the 118 buildings inspected, 91 were found to be defective. The number of defects was 220; 300 home inspection blanks were

returned by school children.

The general condition of the city was found to be on the average with others inspected. Wiring was all right, and the schools were in good condition. Roy Nicholson and A. S. Gormley addressed 800 school children during the day on fire prevention. At the dinner, limited to 70 persons due to lack of space in the hotel, Manager Larson of the Teeple shoe factory was toastmaster. Dr. Clark, mayor of Waupun, welcomed the field men and thanked them for their work. G. A. Strasen, president of the association, gave a report on the findings of the inspectors, and Mr. Nicholson spoke on fire prevention. Excellent cooperation was given by the Association of Commerce and by other citizens. Fifteen Boy Scouts accompanied the inspectors. The association will inspect Waupaca Nov. 16.

### New Milwaukee Agency

MILWAUKEE, Nov. 1.—The Dobbert-Potratz agency has been organized here by L. C. Dobbert and A. H. Potratz. Mr. Dobbert was formerly associated with Fidelity-Phenix as special agent in the Wisconsin field and more recently with the American Founders Fire of Milwaukee. Mr. Potratz has been with the Chris Schroeder & Son Co. general agency here, in the plate glass and burglary insurance department. The new agency will be general agent for the Sun Indemnity in Wisconsin.

### Inspecting Minnesota Schools

ST. PAUL, Nov. 1.—The state fire marshal's office this week began the annual inspection of public school buildings in Minnesota. Harry Chance, chief deputy marshal, was in charge, assisted by C. E. Keller and Fred Stanton in St. Paul, and R. J. Martin and J. E. Thielan in Minneapolis.

### Loss at Dawson, N. D.

Fire of undetermined origin destroyed more than half of the business district of Dawson, N. D. The blaze began in the F. C. Waner general store and spread to adjoining buildings. The local fire department, augmented by the department from Steele, several miles to the west, had considerable difficulty quenching the flames before the entire town was wiped out.

Buildings destroyed, with one exception, were one-story structures. The exception was the Werner store. No estimate has been made as to the total amount of damage done. Buildings burned, in addition to the store, were the William Potter restaurant, R. C. Pryse drug store, A. C. Cross real estate office and Dr. T. S. Pryse office. The Grand hotel was ignited five times and the Cargill elevator caught fire once.

### Badger Mutual to Write Windstorm

MILWAUKEE, Nov. 1.—Windstorm insurance is soon to be written by the Badger Mutual of this city, according to officers of the company. The company has been in business 40 years.

### Northwest Notes

George V. Fevig, member of the Fevig-Jeston Insurance Agency, Moorhead, Minn., was elected commander of Melvin A. Hearl Post American Legion, recently. He will assume office Dec. 7.

The Hutter Investment Company has been formed at Fond du Lac, Wis., and will operate a local insurance agency in connection with its investment business. It was organized by the interests who own the Hutter Construction Company and J. Buerger will be the manager.

## IN THE MISSOURI VALLEY

### REHEARING PETITION IS FILED

Kansas Supreme Court Expected to Deny Pleas of Companies in Fire Rate Litigation

TOPEKA, KAN., Nov. 2.—The petition for a rehearing of the Kansas rate case has been filed in the Supreme Court by Robert Stone of Topeka, counsel for the fire companies. The petition consists of 52 printed pages, but only one-third of it is devoted to the actual request for a further rehearing of the case, the remainder being taken up with

a copy of the opinion of the Supreme Court and the appeal of the vocational classification questions.

The petition sets forth six grounds for another argument and decision in the case. The first is the disqualification of R. J. Hopkins, associate justice of the court, who was attorney general at the time the case was started. The second discusses the basis for determining insurance rates. The third takes up the question of investment earnings of the companies; the fourth the method of calculating underwriting profits; the fifth the vocational classifications and the final section relates to whether the

proposed rates are unreasonable and confiscatory.

The court will take up the motion whenever it may be reached and will decide it without further presentation of argument. The belief prevails here that the court will not grant the petition. It probably will not take up the petition until next Wednesday and a decision may be expected Nov. 12. In the meantime the application for a writ of certiorari is being prepared to take the case to the Supreme Court of the United States.

Commissioner Baker has had the rate case decision printed for distribution to insurance men and attorneys. The Supreme Court did not have the copies and the insurance department could not make them fast enough on typewriters to supply the demand, so the opinion was ordered printed and copies are being sent to insurance companies and lawyers throughout the country.

#### ANNUAL DINNER AT LINCOLN

First Trust Co. Gives Its Function to the Representatives of the Companies Represented

LINCOLN, NEB., Nov. 2.—The First Trust Company of Lincoln has just celebrated its eighth insurance connection annual dinner, which company executives from the big cities journey far to attend. The trust company maintains a large and efficient insurance department representing a large number of companies. Twenty-seven eastern insurance men came to Lincoln in a special car to attend and were guests of the company at the Nebraska-Syracuse football game.

The guests from New York were: J. A. Campbell, Home of New York; R. L. Tanner, New York Underwriters, and Raleigh Rife; from Newark, Henry Harder, Globe Indemnity; Chicago, H. A. Yates, Aetna, E. L. Vaughn, E. V.

McKarahen, Home of New York, M. H. Grannatt, L. & L. & G., J. M. Clark, New York Underwriters, H. A. Miller, North America.

Others present were R. K. Ballard, J. G. Gallagher, R. W. Nicol, Gail Holliday, E. K. Wells, C. J. Easterberg, J. N. Shilestead, A. W. Tweedy, H. K. Farrar, John Arends, A. T. Cruttenden, E. T. Bush, A. S. Wiltberger, E. C. Wampler and J. N. Newey. From Hartford: G. C. Long, Jr., Phoenix, Ct. and C. G. Worsham. Omaha: H. W. Lindquist, H. A. Johnson, Jr., C. U. Hendrickson, L. H. Bridges, A. L. Milhollin, E. C. Wolf, W. M. Eberle, O. F. Fugate, J. F. Dale and J. E. Nolan and from Scottsbluff, O. L. Ellerbrook.

#### CALLED PRIVILEGED MATTER

Nebraska Court Holds Charges Filed with Insurance Department Cannot Be Used as Basis for Suit

LINCOLN, NEB., Nov. 2.—District Judge Broady, who happens also to be the author of the present insurance code of Nebraska, has held that all charges filed by companies or patrons of insurance companies with the insurance commissioner are privileged and private communications and that, while the person accused has the right to know the nature of these charges, the fact that they are communicated to him does not give him a cause of action in damages against the person making them.

The matter came before the court on a demurrer filed by attorneys for the Business Men's Protective and its managing officers in a suit filed by M. F. O'Sullivan, who claims \$54,000 damages because of charges made by the defendants to the commissioner that he had failed to make proper settlement when in the employ of the company. The demurrer was based on the declaration that these were privileged communica-

tions made to a person in interest and not made public by virtue of any law.

#### Ruling of Prime Importance

"The decision is of prime importance in the administration of the insurance laws of the state," commented Commissioner Dumont. "If a company or insurance buyer is protected by the knowledge that he cannot be hauled into court and made to defend a damage suit, the department will be better able to know something about the past records of men it is asked to license as agents. All of which is a good thing for the business as a business."

Judge Broady said any other decision would make that provision of the law which invites complaints and information from persons and corporations in possession of knowledge of the conduct of men who want to be licensed to sell insurance entirely nugatory and of no possible use. Its purpose is to secure information, with the assurance to the person giving it that it will be treated as confidential by the department, and this calls for the protection of the law to the extent that, having communicated that knowledge, there will follow no liability for damages because of it.

#### Patrol Case to Be Heard

KANSAS CITY, MO., Nov. 2.—Final consideration of the Kansas City litigation over the fire insurance patrol is expected this month, the case brought by the Kansas City Insurance Agents' Association against the city being scheduled for argument before the Missouri Supreme Court on Nov. 9. This is a suit to compel Kansas City to comply with the franchise contract under which the fire patrol is operated in that city. The contract requires the city to pay over to the Patrol Association all license fees collected by the city from insurance companies, agents and brokers. This contract was complied with for 23 years, but in 1926 the city refused longer to comply with it, claiming the contract illegal and void. Judgment was rendered for the agents' association in their suit

in 1927 and a peremptory writ of mandamus was issued to compel compliance with the contract. The case was appealed to the Supreme Court, however, and arguments will be heard next week.

#### Opens Engineering Department

The Binder-McCargar agency, Council Bluffs, Ia., has established a fire insurance engineering department, the purpose of which is to render assistance to property owners in connection with fire rates and hazards. This business is an innovation in a city the size of Council Bluffs. Leon E. Morse, who has been associated with Mr. McCargar for the past six years, has charge of the department, having recently completed an extensive course of study in fire insurance rating and engineering. Since the opening of the department, the demand for this service in Council Bluffs has been very apparent, Mr. McCargar states.

#### Iowa Blue Goose Luncheon

DES MOINES, Nov. 1.—At the Blue Goose luncheon Monday Robert Osier, most loyal gander, who attended the grand nest meeting at Dallas, made a report on that meeting. He spoke of a number of pieces of legislation that he believed would be helpful in conducting the various local organizations, and suggested that the delegates were not much inclined towards legislation that gave the national organization additional power over the subordinate ponds. At this luncheon steps were taken to make effective the inspection at Emmetsburg this week. Secretary Bunten expressed his appreciation of the cooperation given by the members in the work of his department.

#### Nebraska Fire Protection Improvements

Callaway, Neb., has voted to expend \$20,000 to put in a new 18-inch well and to extend the water mains. The fire protection facilities in Scribner have been augmented by the purchase from the Omaha water plant of a larger pump, the pump at present in use having grown too small for use at its Benson station. A new well has been contracted for at Syracuse. At Anselmo the water plant is also being enlarged and at Comstock the city has voted to spend \$25,000 on improvement of its waterworks. At

## SOUND, SOLID, SUCCESSFUL

# NEW HAMPSHIRE FIRE INSURANCE COMPANY

MANCHESTER, N. H.

*Fifty-Seventh Progressive Annual Statement, January 1, 1927*

#### ASSETS

United States Bonds.....	\$ 2,679,000.00
Dominion of Canada Bonds.....	82,150.00
Real Estate .....	267,500.00
Municipal and other Bonds and Stocks and Mortgage Loans .....	9,038,249.52
Agents' Balances .....	878,839.69
Accounts Receivable .....	118,344.19
Cash in Banks.....	615,702.37
	<b>\$13,679,785.77</b>

#### LIABILITIES

Capital Stock .....	\$ 2,500,000.00
Unearned Premium Reserve.....	5,879,442.72
Reserve for Losses.....	767,311.82
Reserve for Taxes and Expenses accrued but not due .....	257,500.00
Reserve for Dividends declared and unpaid.....	90,444.00
Net Surplus .....	4,185,087.23
	<b>\$13,679,785.77</b>

**Policyholders' Surplus - \$6,685,087.23**

Increase in Assets.....	\$934,350.67
Increase in Premium Reserve.....	259,473.64
Increase in Net Surplus.....	448,292.22



Greetings fellow Kansans - - - -  
**THE WESTERN INSURANCE COMPANIES**  
 of FORT SCOTT, KANSAS  
 would like to have the pleasure of  
 receiving a communication from  
 each Kansan not now representing  
 The Western Insurance Companies.

*Kansas Service for Kansas Agents*

Holmes Meade  
 Joe W. Hull

Lakin Meade  
 Chas. J. Smith

**Meade General Agency**

**General Agents**

**Topeka, Kansas**

Phone 6537

*The largest automobile general insurance agency  
 in Kansas. Immediate attention given to all in-  
 quiries. Complete automobile coverage written in  
 one policy. We work with you and for you.*

REPRESENT

**The CHARLTON  
 GENERAL AGENCY Co.**

*and insure your*

**CASUALTY & BOND  
 SERVICE**

**LAWRENCE, KANSAS**

Phone 689

**General Agents**  
 KANSAS

Phoenix Indemnity Co.  
 Eagle Indemnity Co.  
 American Bonding Co.

SPECIAL AGENTS

Harry Hoffman, Casualty    Harry Frazee, Casualty  
 S. I. Harris, Bond Dept.    J. Gilsdorff, Marine

CLAIM SUPERINTENDENT

[A. B. Mitchell

# The National Underwriter

THIRTY-FIRST YEAR  
NUMBER 44

CHICAGO, CINCINNATI AND NEW YORK, THURSDAY, NOVEMBER 3, 1927

Office of Publication, 175 W. Jackson Boulevard, Chicago, Illinois

KANSAS AGENTS'  
NUMBER

## Kansas Agents Meet in Hutchinson

Annual Session of State Association Most Pleasing  
Charles G. Blakely, Jr., Topeka Reelected President

### Great Galaxy of Talent

IN PREVIOUS years the Kansas agents have devoted two days to the business sessions for their annual meeting. This year President Blakely and the executive committee decided to have only a one-day business session. The result was that the meeting this year, which was held at Hutchinson last Friday, was probably the best ever held by this association.

There was a smoker and get-together gathering Thursday night before the meeting, and all of Saturday was devoted to golf. This arrangement proved highly satisfactory all around. Those who wanted to attend the business sessions Friday and the banquet Friday night were enabled to reach Hutchinson Friday morning and leave for home the same night. For many, this meant only one day away from their offices. This feature evidently appealed to the Kansas agents, for the registration of local agents was close to the 100 mark. There were about 50 field men present.

### Notable Array of Speakers on Program

The Kansas association has done excellent work the past year and was awarded the president's cup by the National association for having the largest increase in membership. There are at present 283 members in the state association and 25 local boards are functioning throughout Kansas. Those who arranged the program for this year's meeting are deserving of considerable praise. The subjects chosen for discussion were of vital interest to the members and the speakers could hardly be improved upon. When there are such luminaries as J. A. Giberson of Alton, Ill., chairman of the finance committee of the National association, George E. Turner, Chicago, general counsel, Casualty Information Clearing House; Frank M. Chandler of Chicago, vice-president, New York Indemnity, and Rosse Case of Marion, Kan., there is an array of talent that is hard to beat. In addition to these men, N. K. Nelson, Topeka, state agent of the Great American Fire for Kansas and most loyal gander of the Kansas Blue Goose, brought greetings from the field men. The address of President Blakely and the report of Secretary-Treasurer Foote showed the result of considerable thought and were well received. Dwight Smith, Wichita, past president of the Kansas association, and Frank Priest of Wichita, the new chairman of the executive committee, both made interesting reports.

### To Consider Launching of Kansas Insurance Day

Friday afternoon was an executive session for agents only. At this session there was some excellent data brought out on various matters. The discussion

By WILLIAM A. SCANLON

### NEW OFFICERS ELECTED

#### PRESIDENT

Charles G. Blakely, Jr., Topeka

#### VICE-PRESIDENT

Bert Mitchner, Hutchinson

#### SECRETARY-TREASURER

Charles K. Foote, Wichita

#### EXECUTIVE COMMITTEE

Frank Priest, Wichita, Chairman; S. H. Reynolds, Kansas City, Kans.; Jack Spratt, Baxter Springs; Seymour Drehmer, Dodge City; Dwight Smith, Wichita, and the officers.

pertained to automobile clubs, agency sale value, collections, explosion insurance commission, cooperative advertising, branch offices and value of local boards.

After a brief talk by Frank M. Chandler of Chicago, in which he told of the value and importance of having a state insurance day, it was decided to have the executive committee appoint a committee to confer with representatives of other branches of the insurance business in Kansas, and ascertain the advisability of putting on a Kansas Insurance Day. Several states now have an insurance day and those interested are well pleased with the results. Mr. Chandler is known as the father of the state insurance day. When he was located in Indianapolis, he originated the idea of an

Indiana Insurance Day. The idea has now been adopted by several other states.

The constitution and by-laws of the Kansas association are to be changed so that the method of electing officers will be simplified. The new method conforms with the plan now used by the National association.

### Seek Correct Way To Lightning Rod Credit

The president of the association will appoint a committee whose duty it shall be to confer with the superintendent of insurance, the attorney-general and the judge of the court having jurisdiction, and endeavor to get such rulings, stipulations, or whatever is necessary, to en-

(CONTINUED ON PAGE 50)

### Busy One Day Session

PRESIDENT Charles G. Blakely presided at the business session. In giving the address of welcome, Mayor C. E. Lyman of Hutchinson said that the underwriters of today are the guardians of big interests throughout the world. He stated that the insurance business made a fine impression on the people of Hutchinson by the fair and equitable settlement of claims following a tornado which visited Hutchinson early this year.

Dwight Smith of Wichita, former president of the association, responded to the address of welcome. A telegram from C. H. Dorscher, field representative of the National Association, congratulating the Kansas agents on their wonderful achievement during the year, was read. Vice-president Bert Mitchner of Hutchinson presented a report of the constitution and by-laws committee. In this report it was recommended that a change be made in the plan for election of officers. Some amendments were suggested to the report, but the amendments were defeated. Among those who took part in the discussion were: L. B. Brown, Wichita; Harry Davis, Hutchinson; Rosse Case, Marion; Dwight Smith, Wichita, and Jack Spratt, Baxter Springs. President Blakely read his annual address, which was followed by a report of the secretary-treasurer, Charles K. Foote.

N. K. Nelson, Topeka, Kansas state agent, Great American Fire, and most loyal gander of the Kansas Blue Goose, brought greetings to the agents from his organization.

### State Association Is Strong Organization

Frank Priest of Wichita made a report for the membership committee. There are now 283 members in the Kansas association and 25 local boards. He told of the recent campaign for new members in which C. H. Dorscher of the National association helped materially.

The report of the public relations committee was made by Dwight Smith, chairman, after which Rosse Case of Marion presented the report of the fire prevention committee.

N. K. Nelson, state agent, Great American Fire, spoke briefly on the activities of the Kansas Fire Prevention Association in connection with country school houses. He suggested that the local agents could help the companies a great deal if they would make a complete inspection of the property at the time the policy was written.

### Proposed Insurance Day Is Widely Discussed

Frank M. Chandler of Chicago, vice-president, New York Indemnity, urged

(CONTINUED ON PAGE 50)



C. G. BLAKELY, JR., Topeka  
Reelected President Kansas Association



CHARLES K. FOOTE, Wichita  
Reelected Secretary Kansas Association



# The Kansas Company

## The COMMONWEALTH FIRE & MARINE INSURANCE COMPANY of KANSAS CITY, KANSAS



"AD ASTRA PER  
ASPERA"

GOOD AGENTS WANTED  
GOOD SERVICE RENDERED  
GOOD LINES WRITTEN

## Conduct of Local Agencies Is Discussed by J. A. Giberson

J. A. GIBERSON spoke to the agents Friday morning. He brought a message from the National association and touched on several subjects close to the hearts of the local agents. He reviewed the work of the national organization. He also dwelt on the "Conduct of the Local Agencies." He emphasized the importance of attending state and national meetings, stating that he always gets helpful ideas from those he meets at such gatherings. In his opinion each agent should clear his own house. He has no time for the agent who represents conference companies and who also will have one or two companies which he has hiding in his office, as it were, and which will take business at cut rates. He said such an agent is not fit to be a member of the association. Members of the association should represent only conference companies. He believes that the companies should have only one national organization instead of several, as is the case now, with such organizations as the Western Union, Western Insurance Bureau, Eastern Underwriters, Southeastern Underwriters.

### Criticizes Action of The Western Union

The new agency contract recently sent out by the Western Union was the subject of criticism by Mr. Giberson. He said such a contract should not have been sent to the agents before a draft of it had been submitted to the National association. He feels that the National association should have had an opportunity of passing judgment on this contract before it was sent out to the agents of the country. He told the agents not to sign this new contract until such time as the executive committee of the National association had an opportunity of passing on it, and to wait for advices from the executive committee, saying that since this contract was of such vital interest to the agents, it should be passed on by the legal advisers of the National association. He expressed surprise that the company managers would presume to draw up such a contract and ask the agents to sign it without having it submitted.

### Praises Travelers Fire For Its Agreement

He was loud in his praise of the Travelers Fire for the attitude shown by this company at the recent meeting of the National association at New Orleans, where a satisfactory agreement was reached between this company and the executive committee of the national body. He said that at a recent meeting of Iowa agents he severely criticized the Travelers Fire for the operation of the branch office system, and he now wishes

the Travelers Fire and the insurance agents to know that since the action of the Travelers at the New Orleans meeting, he is strong for them.

He spoke of the activities of automobile clubs and touched briefly on the use of the certificate which is to be adopted by the National association for use of members of that body, pointing out that by using this certificate, the national organization will render a great service all over the country. In his opinion, the insurance agent who is ashamed of his business as a rule is one who does not know his business. He urged the agents to study their business and be able to defend it at any and all



J. A. GIBERSON, Alton, Ill.  
Representing National Association

times. All men writing business should have a knowledge of the fundamentals. He said that in so far as he knows, all the companies who have signed the conference agreement are living up to this agreement. Among other subjects covered by him were bank agencies, agency cost and management, newspaper advertising and direct mail advertising. He stated that any man who is in the insurance business, and does not like it, should go into some other line of business.

Wm. R. Martin, manager for the Federal Surety for Missouri and Kansas, with headquarters at Kansas City, attended the meeting and distributed a combination walking stick and yard rule to all those in attendance. The walking stick carried the following inscription: "I am sticking for the Federal Surety Company, Davenport, Ia." It also carried Mr. Martin's name and address. These sticks were very much in demand and appreciated by all.

## RESOLUTIONS ADOPTED

The following resolutions were adopted:

We express our appreciation to Superintendent Baker and the other members of the commission for recodifying the insurance laws of Kansas.

We condemn the practice of insurance companies who appoint automobile dealers, employees and associates as their agents to write automobile insurance.

We heartily approve the resolution of the National association regarding the limitations of agencies of both fire and casualty companies, approaching the sole agency ideal.

We recommend to the state superintendent of public instruction further introduction of courses in the training of students in accident and fire prevention.

We hereby declare the Commonwealth Fire & Marine of Kansas City, Kans., to be in violation at Topeka, Kans., of the conference agreement in its application to the appointment of financial institutions as agents.

We recommend to our membership that they become active in the organization of their local automobile clubs.

# Annual Report of the President

BY C. G. BLAKELY, JR.

Topeka, Kans.

MY report as respects the activities of our association in Kansas will of necessity be brief. Most of this activity has been confined to the strengthening of this organization by the formation of local boards. Our legislative program was confined almost entirely to our efforts to pass the insurance code, and we met very little opposition to this bill. Our finances are in fair shape, and the general condition of our members, is prosperous.

Our new insurance code has not been in force sufficient time to prove its value. As Commissioner Baker once said: "It will be fairly easy for a man to become an agent, but it may be very hard for him to hold his license." The conference agreement with the companies regarding future financial institution appointments is working out well where we have local boards. There are only two infractions before your executive committee today.

## Chief Problems Today of National Scope

Most of our real problems today are national in scope although apparently local. Multiple agencies, branch offices and better business methods were the three most important problems before the New Orleans convention just closed. The following resolution was finally passed regarding multiple agencies:

"Agency Limitation—At the mid year meeting of the National association at Savannah, Ga., Feb. 11, 1925, a statement of principles was set forth which has now been adopted by all state associations. Among these principles is one which deals with the multiple agency problem committing the association to limited agency representation of the

same company in the same territory. The time has now come when this association should move along a constructive course, looking toward a practical solution of the problem. Recognizing that varying conditions exist in different parts of the country which demand a different application of this principle, we submit that in all such cases the rules of the local board should prevail. We recommend that the foregoing statement be transmitted to our conference committee with a request that a meeting with the conference committee of the National Board be arranged as soon as practicable, looking toward a recognition of this principle by the companies and an agreement that in all cases the rules of local boards or associations shall prevail as to the number of agencies a company may have in each such community."

It was the only resolution of moment passed at this meeting and if the National Board accedes to our wishes in this regard, it will add another important recognition of local boards by the companies.

## Fears of Branch Office War Greatly Allayed

The branch office system bugaboo in the east, which seemed to be undermining the American agency system to many of us, received a severe set-back when the Travelers Fire at New Orleans announced that it would agree to have any complaint made against it adjusted by the National Association of Insurance Agents executive committee

in conference with company representatives.

The better business committee, headed by Eugene Harrington, our new president, announced that it had worked out an accounting system superior to any now on the market, and which will soon be placed on sale by the firms dealing in insurance systems of accounting. It will now also be possible for an agent to know if his overhead is too high and in what respect and to know if his collections are too slow comparatively.

## Seek to Strengthen Association Cause

We have "carried" the non-member for many years. He has ridden free while we have paid, and at times he has benefited as much as we. The National association is perfecting a benefit for members only in which the dead-head will not share. It is in the form of an automobile identification certificate, which will entitle an assured to go to any National association member in the United States in case of a claim arising while he is away from home. Our only other immediate means of direct benefit to members only is through the medium of cooperative local board advertising. It is one weapon, which if used effectively, can benefit every board member to the detriment of every outsider. The National association has prepared a series of advertising mats for the use of local boards, and it is bound to do the work if used as directed.

The Milwaukee resolution, aimed at companies "whose policies were tearing

down the very foundation of our business," has now been in force two years. In most states this resolution not to seek members who represent such companies is being observed. Your executive committee has passed the following resolution:

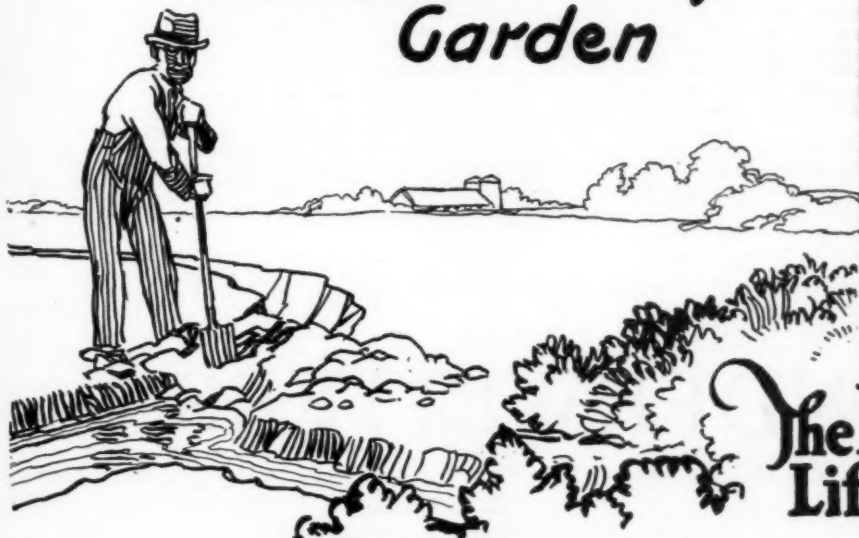
## Fire Companies Named In Committee's Resolution

"The executive committee of the Kansas Association of Insurance Agents in session on Oct. 27, 1927, has before it a statement by the national executive committee, presented to the mid-year conference at Chicago, April 20, 1927. It had to do with the practices of the Firemen's of Newark, the Girard Fire & Marine and the Northwestern National of Milwaukee, in relation to the principles of the National Association of Insurance Agents, the 'Milwaukee Resolution' and the conference agreement between the committees of the National association and the National Board.

"After a complete review of the facts and a thorough discussion of the merits of the controversies under consideration, it is hereby resolved that the executive committee of the Kansas association concur in the findings of the national executive committee and that we do now adjudge the Firemen's and the Girard Fire & Marine to be intentionally and continuously in violation of one of the principles of this association, namely, appointing financial institutions, their officers or employes as company representatives in competition with established agencies; and the Northwestern National to be intentionally and continuously in violation of one of the principles of this association, namely, agents' ownership of expositions, and

(CONTINUED ON PAGE 56)

## Do Not Drain— It is better to Irrigate the Community Garden



COMMUNITY GARDEN

It makes a man feel he is a factor in his community when he represents a company that invests its premiums back in the territory it serves.

You bank locally and we invest in local municipal and county bonds.

Cultivate the Community Garden with our Co-operative plan.

## The Farmers & Bankers Life Insurance Company

H. K. Lindsley  
PRESIDENT

J. H. Stewart  
VICE PRESIDENT

Frank B. Jacobshagen  
SECRETARY

WICHITA, KANSAS



## Agency Qualification Matter of Company Responsibility

By **GEORGE E. TURNER**  
General Counsel, Casualty Information Clearing House

**H**ALF as much time and energy spent on agents' qualification as is spent on agents' qualification laws would bring twice the amount of desired results. I am not opposing agents' qualification laws. I do not object to any one who wants such a law exercising himself for its passage. Neither am I opposed to any one eating parsnips, but to me both seem to involve a peculiar taste and the forceful taking abroad of odoriferous non-essentials.

That an insurance agent be well qualified to occupy the position of high trust which his appointment involves is a thing of consequence to many. It is everlastingly true, however, that qualification can no more be legislated into a man than can thirst be legislated out

field and that source is the company. Either he is selected like a necktie or he is caught like the measles. In any event the company is responsible for him.

If he is selected with knowledge of his unfitness, then we need company qualification laws rather than agents' qualification laws. If he is caught without his unfitness being known, then we have incompetence to some degree in agency selection save in those rare cases of mistake which will always be corrected upon information, except as to the company which prefers a volume of business to a good name and sincerity of purpose.

### Qualification Measures Are Rebuke to Companies

If a company wants qualified agents to represent it, qualification laws will not increase the supply upon which it must draw. If a company wants to appoint unqualified agents you can not cleanse its soul by requiring it to dangle its toes in the purifying stream of agency legislation. The only cure for it is drowning and washing its feet is time wasted.

Agency selection is the problem and the responsibility of the companies. Public support for agents' qualification laws is an insult to all insurance management not immune to insult. Agency support for such legislation is a rebuke, possibly well deserved, to those whom the agents represent, an excommunication edict to the sinners whom they will not serve, posted in public places, advertising our inability to regulate our own business from within, and a yelp for legal disinfectant. Company support of such legislation is only the laughable spectacle of rowing the boat without losing it from the pier and splashing the oars to attract attention.

### Measures Are Back-Hand Strokes at Management

The companies are fully competent to set a standard of qualification below which they will not go in the appointment of agents. If it is not so then you are wasting your time representing them. If that standard is too low or they sometimes fall below the standard set, you may do much to help them see the futility of growing figs from thistles, but to smite the stone with legislative rod will not likely bring forth the gush of a purified stream of agency appointments.

In my judgment entirely too much is being made of the manner and method of licensing agents. Possibly we must

## Cause of Rural Fire Prevention Strenuously Urged in Report

By **ROSSE CASE**  
Chairman Fire Prevention Committee

**W**HEN our president appointed me as chairman of the fire prevention committee, he graciously granted me the privilege of choosing my associates, who are F. E. Preston of Pratt, Fred L. Hans of Great Bend and Paul A. Webb of Neodesha.

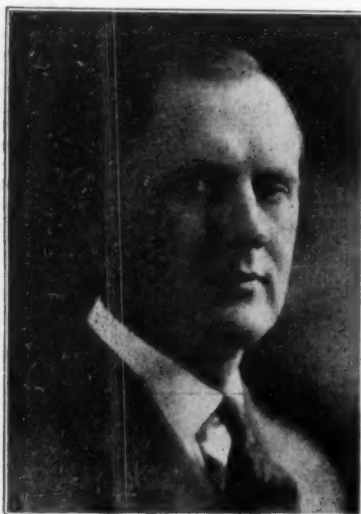
The fact that the cities represented on this committee are strictly rural communities, the large cities having been omitted, was not accidental. The reason being that the large cities have already gained considerable headway in the fire prevention movement and fire preventionists are beginning to realize their mistake in starting to build at the top.

Most, if not all, good insurance men were raised in rural communities. Had these men received an education in fire prevention while in the country, instead of taking up that study after their advent into city life the fire prevention movement would now be fully half a generation ahead of its present position and our fire waste would have been materially reduced.

We want you rural agents to get busy, learn something about fire prevention yourselves and pass along to the people of your communities the advantages and necessities of becoming active in this great movement and in this way build a foundation under the structure which is already assuming considerable proportions in the cities. A knowledge of the science of fire prevention is just as necessary to the genuine insurance agent as is the knowledge of the conditions of the policy he sells and the imparting of this knowledge in his community will have more effect than any other one thing, in eliminating the ignorant and the disreputable and dollar grabbing agent, from the business, for there is no place for such an agent among an educated people or with an intelligent company manager.

We would like to ask this convention to request its new officers to try to arrange with the State Fire Prevention

Association to allot certain town and country schools to each of its members with instructions to, some time during the coming year, make talks to such schools. All members are deputy state fire marshals and each one should present himself as such, advising no one that he is in the insurance business. This education will make better citizens of those children and in a very few years result in a reduction in fire losses. At the time he is making his visit to the school he should inspect it and leave with the teacher a report of defects. If he finds doors opening inward, hail screens so tightly fastened over the windows that they cannot be kicked off from the inside, or other violations of the fire marshal law, he should report it, so that that official may see that the law is



**GEORGE E. TURNER**, Chicago  
Casualty Information Clearing House

of him. The sole objective of such legislation is the negative one of keeping someone out of the business because he is unfit to be in it.

But how do the unfit get into the business? Is the public begging permission to do business with them? Do the qualified agents want them? Certainly not. Do the companies want to be represented by them? Who would dare answer, "yes"? How can the answer be "no" so long as we have the unfit in the field?

Neither the agents or the public select the unfit. There is but one source for his appointment and entry into the



**DWIGHT SMITH**, Wichita  
Former President Kansas Association

enforced before a house full of children are burned up.

The National Fire Waste Council is at work, now, on the preparation of a text book on fire prevention. The legislatures of some states have made the teaching of fire prevention in the schools mandatory and we would like to have this association go on record as favoring such a law for Kansas and of urging each member to use every effort to get such a law passed at the next session of our legislature.

It may seem rather out of place for a retiring committee to instruct your local

(CONTINUED ON PAGE 50)

*Unusually Profitable Opportunities are offered to men and agencies in Missouri, Kansas  
and Oklahoma by*

## KANSAS UNDERWRITERS

GENERAL AGENTS

WICHITA

KANSAS

*Practically all Casualty lines written—including Automobile, Fire and Theft—in none but Stock Companies*

*We are also General Agents for Fire Insurance in Kansas*

**OUR SERVICE MEANS DOLLARS TO THE LOCAL AGENT**

Beatrice the city council, faced with an extensive rebuilding program which includes better fire protection, has under consideration a proposal to lease the present water plant to private interests, who will sell at wholesale to the city. The voters of Hickman are soon to pass on a proposal to install a municipal water plant and at Gordon the old pressure tower is being replaced by a new one of modern type.

### Nebraska Report Out

The annual report of Commissioner Dumont of Nebraska for 1926 has just been published. The commissioner has rearranged the contents as they were contained in previous issues, separated the Nebraska companies from the foreign companies and made other segregations that give a more complete picture of the business in the state.

Six new companies were organized in Nebraska during the year, four of them doing a life business, one fire and tornado and the other hail. Sixteen companies from other states were admitted and 11 that did business in 1925 were either reinsured, changed, withdrew, consolidated or went broke. The 49 home companies now have on deposit with the department \$4,398,000 in securities.

### Few Covered by Tornado Insurance

DES MOINES, Nov. 1.—Since the destructive tornado in St. Louis, insurance interests in Des Moines have been making special effort to stimulate policyholders to take out tornado insurance. One large agency has made a survey of its policies on Des Moines residence property especially, and was amazed to discover the lack of provision made for destruction from storms. It was ascertained that not over 25 percent of the policyholders had any tornado insurance.

### Olmsted Agency Expands

DES MOINES, Nov. 1.—The Olmsted Insurance Agency has announced an extensive program under which it will operate in all sections of the state. Heretofore its business has been confined to the local field. George Olmsted, secretary of the company, announces that W. J. Ribble, formerly with the Love-Haskell Agency of Omaha, and Edwin L. Gierlel, recently with the Maryland Casualty, have been placed in charge of the work of securing agents in all parts of the state.

### Two Iowa Inspections

The Iowa State Fire Prevention Association conducted an inspection at Muscatine, Oct. 27. Forty-one members participated. The various civic clubs of Muscatine gave all possible help and the inspection is regarded as both thorough and satisfactory. The number of inspections was 414; defective, 358; recommendations, 1,293; number of schools visited, 16, with 3,136 pupils. Addresses to the pupils were delivered by C. W. Borrett, Abner Upham, C. B. Wadsworth and Sterling Freeman. T. Alfred Fleming addressed the Ad Club with 64 present. C. W. Borrett addressed the Kiwanis Club.

An inspection was held at Columbus Junction Friday, in which 24 members participated. There were 92 inspections, 81 defective and 377 recommendations. Three schools were visited and 412 pupils were addressed by C. W. Borrett. Mr. Borrett also addressed a banquet given by the local fire company at which 140 were present.

### Will Inspect Eldorado Springs

The Missouri State Fire Prevention Association will hold town inspection of Eldorado Springs Nov. 10. The scout committee arranged for the meeting and with the cooperation of the Chamber of Commerce of that city will give a banquet that night. Wednesday evening before the inspection there will be a dinner for members only.

### "Cheating" Construction Caused Loss

ST. LOUIS, Nov. 1.—The belief that the collapse of many buildings in the path of the St. Louis tornado was due to faulty construction by cheating contractors and building speculators was expressed by Director of Public Safety Brod in an address before the St. Louis Chapter of the American Institute of Architects.

"It will be observed that most of the ruined houses were in sections that had been exploited by real estate speculation," Mr. Brod said. "These were often

small structures of the bungalow type, frequently with cheaply constructed walls and built to sell. The storm showed that very often the walls had not been put together as the building law requires."

Mr. Brod then detailed some of the cheating that had been done by building contractors, including foundations of hollow concrete blocks. These were supposed to be solid concrete blocks, but the storm revealed the contractors had stuffed them with sacks and paper covered with a thin layer of concrete. In the walls half instead of whole bricks often were used, so that the wall which bore a solid appearance from the outside was really hollow. In other instances outer and inner walls were not properly anchored, cheating bricklayers merely using mortar on the outside layer of brick.

### Cedar Rapids Fire Chief Dead

Fire Chief James Kennedy of Cedar Rapids, Ia., who died suddenly last week was regarded by insurance men as one of the best chiefs in the state. He was particularly interested in fire prevention and cooperated with all the forces interested in that movement. At the time of the Quaker Oats fire, Jan. 29, he was scarcely able to perform his duty, as he had been in ill health. He answered the call, however, and soon afterwards suffered a heart attack which kept him

from his duties until May 15. Then he was apparently in normal health until about 10 days before he died he suffered another attack.

### Missouri Notes

After Nov. 15 the executive office of the Missouri State Fire Prevention Association will be located in St. Louis. The offices will be at 1330 Pierce building.

Almost two city blocks at Doniphan, Mo., were destroyed by fire of undetermined origin Oct. 27. The total loss was estimated at \$125,000. Among the establishments destroyed were: Whitwell general store, Odd Fellows Hall, C. O. Booker garage, three restaurants, J. R. Jaco jewelry store, a rooming house, J. W. Cude store, a barber shop and J. R. Wright's undertaking establishment.

### Iowa Notes

Grover Hamilton of Leon, Ia., has bought the Lester Hutcheson insurance agency there and will give the business his personal attention.

T. Albert Fleming, supervisor of the conservation department of the National Board, was the speaker at last week's luncheon of the Muscatine, Ia., "Ad" Club.

The Farmers Mercantile Company, largest business establishment at Traer, Ia., was destroyed by fire last week, entailing a loss of around \$67,000. The explosion of a kerosene lamp started the fire. Fire fighters from Waterloo

and Gladbrook joined with the local fire company in preventing the spread of the flames to other property. Insurance covered a large part of the loss.

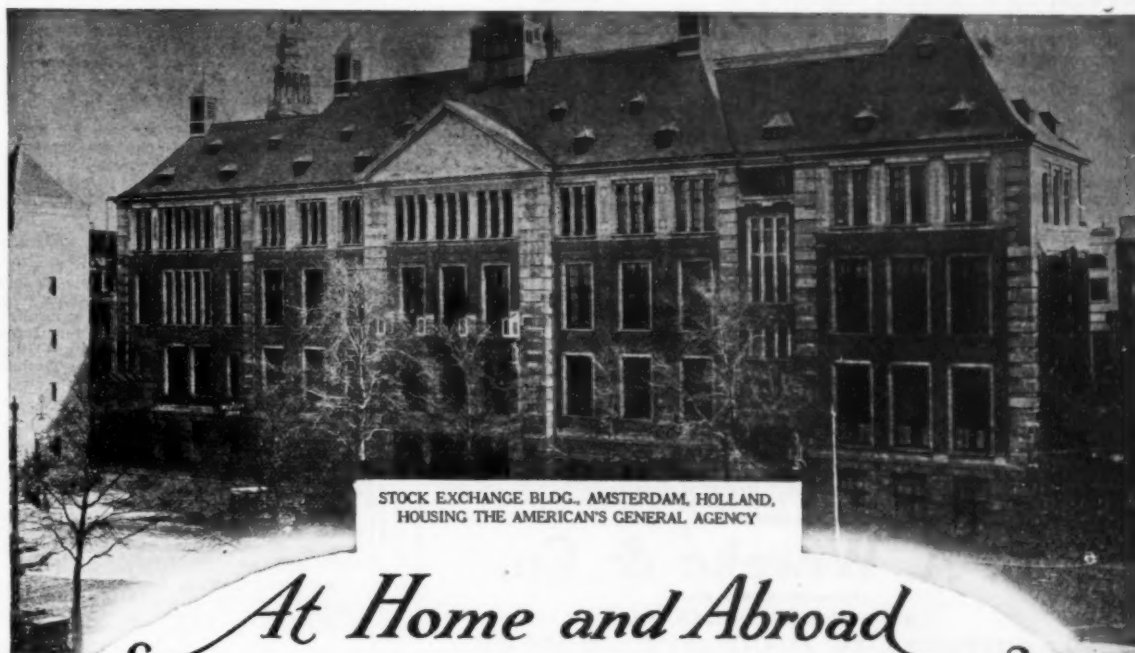
Jay F. Evans and F. E. Teller of Storm Lake, Ia., have formed a partnership and in the future the firm will be known as the Evans-Teller agency, specializing in a full line of insurance, real estate and farm loans.

### Nebraska Notes

Damages estimated to be in excess of \$50,000 followed the destruction at St. Edwards, Neb., of the farm home of P. D. Smith, a mansion in which were stored rare books, curios and paintings, collected in the last 40 years. Mr. Smith, aged 83, died in the fire. He was an Englishman who lived in baronial style.

### Say Decision is Reached

It is understood that the United States Chamber of Commerce has decided on a successor to James L. Madden, head of its insurance department, and that announcement will be made shortly. The directors and insurance advisory committee met at West Baden, Ind., and canvassed the situation thoroughly. The decision is said to center around one of the western insurance commissioners who has been very prominent in his position.



STOCK EXCHANGE BLDG., AMSTERDAM, HOLLAND,  
HOUSING THE AMERICAN'S GENERAL AGENCY

## At Home and Abroad with The American of Newark

Blom & Van der Aa, General Agents for The American, are the leading agents and company managers in Holland and the Dutch East Indies. They employ over 200 people and occupy the entire top floor of the above building.

They have represented The American for the past seven years and the Company is now well established through their branches at Amsterdam, Rotterdam, the Hague, Batavia, Sourabaya, Samarang, Bandoeng, Macassar and Medan. Joint policies are issued in the names of the companies represented by them; each company subscribes to a fixed percentage of every risk.



G. VAN DER AA



PETER BLOM



OTTO BLOM

THE AMERICAN

NEWARK

Capital \$4,000,000



INSURANCE COMPANY

NEW JERSEY

Incorporated 1846

### Dept. Offices

ROCKFORD, ILL.  
BOSTON  
MEMPHIS  
SAN FRANCISCO  
TORONTO

### Foreign Offices

BELGIUM  
BRAZIL  
CHINA  
EGYPT  
ENGLAND  
HOLLAND  
INDIA  
TURKEY  
BR. E. AFRICA  
DUTCH E. INDIES  
AND STRAITS  
SETTLEMENTS



## STATES OF THE SOUTHWEST

### MUTUAL MUST BE SO NAMED

Can't Operate in Texas without Word "Mutual" in Title, Assistant Attorney General Holds

AUSTIN, TEX., Nov. 2.—It was held in an opinion by Assistant Attorney General Clark that an out-of-state mutual cannot be admitted to Texas and operate in this state unless it has the word "mutual" in its name. In other words, a mutual concern must be branded as such in its dealings with the public. The opinion was addressed to the insurance commissioner in response to an inquiry regarding the Oklahoma Indemnity Corporation.

Mr. Clark advises outright that a foreign company without the word "mutual" in its name should not be permitted in Texas, if it is a mutual, and that if it has been admitted, its permit should be revoked by the commissioner. The Oklahoma company in question was admitted some time ago and has been writing bus lines under the recent act of Texas requiring commercial motor carriers to bond themselves for the protection of the traveling public.

#### Opinion Is Far-Reaching

This opinion is of far-reaching importance in the insurance field in Texas, since it fixes a precedent that must be followed and means that every mutual concern must so declare itself in its corporate name, as it deals with the insuring public and is estopped from posing as a stock company.

The Texas statutes are very specific in the requirement as to domestic mutuals, and the only question was as to whether it applies to those of other states. On that point the opinion says:

"It was undoubtedly the intention of the legislature, in requiring companies organized under the laws of this state to use the word 'mutual' as a part of the

corporate name, to give the insuring public knowledge of the fact that they were dealing with a mutual company. It is, of course, a well-known fact that the taking of a policy in a mutual company fixes certain liabilities and obligations upon the insurer for losses sustained by the company, and it is important that persons dealing with such companies have full notice that they are assuming such liabilities. The purpose of the legislature to give the public such notice would be defeated if this statute should be given the construction that a foreign mutual company was not required to have the word 'mutual' as a part of its corporate name, and such companies would be given an immediate advantage over a company incorporated under the laws of this state, and it will not be presumed that the legislature intended such result."

#### Ewing Gets Bankers & Shippers

The L. N. Ewing Company of Tulsa has been appointed general agent for the state of Oklahoma for the Bankers & Shippers of New York.

#### Arkansas Department Receipts

LITTLE ROCK, ARK., Nov. 1.—Total collections by the state department of insurance from Jan. 1 to Sept. 30, 1927, were \$43,987 more than for the entire year 1926, according to a compilation covering the period announced by Commissioner Maloney.

Total receipts in the department to Sept. 30 reached \$602,308, compared with \$562,471 last year. Franchise taxes paid by insurance companies for the period totaled \$52,700 against \$48,550 in 1926, or a gain of \$4,150 for the first nine months of the year.

#### Have Extensive Ad Campaign

OKLAHOMA CITY, Nov. 2.—Several agents, members of the Associated Fire & Casualty Underwriters of Oklahoma City, have arranged to run a cooperative advertising campaign in their local papers. The first of these ads appeared in

a recent edition. The contract is for 52 weeks. An advertisement will appear each Monday and Thursday in one paper and in another once each week. The idea of the Oklahoma City agents is to sell the people of Oklahoma City on the value of the insurance agent. Each advertisement will bring home the importance of dealing with a qualified insurance agent. The names of the agencies who are contributing to this advertising campaign appear on the bottom of each advertisement. In the first advertisement 24 agents were listed.

#### Dallas September Losses

DALLAS, Nov. 1.—Because of a single large blaze, Dallas' fire losses for September exceeded those of the same month of last year, with \$169,167 for the month, resulting from 151 fires, affecting \$500,000 of property. In commenting on the month's report, Fire Commissioner Parker suggested a committee be appointed by the Dallas Fire Prevention Council to study existing laws on arson and draw more stringent ones. The council will also continue work in the city schools throughout the year by means of talks regularly given by uniformed firemen and the staging of allegorical playlets and by additional questionnaires to be submitted to parents.

#### May Reduce Marianna Rates

MARIANNA, ARK., Nov. 1.—Fire insurance rates in Marianna are expected to be materially reduced as the result of the passage of several new ordinances by the city council, embracing a new building code, rigid regulations of garages, theaters and public buildings, and the complete rehabilitation of the waterworks system. The new ordinances were recommended by the Arkansas Actuarial Bureau as the basis for a raise in the classification of the city for rate-making purposes. A new survey will be made of the city for rate-making purposes.

#### New Texas Schedules

AUSTIN, TEX., Nov. 1.—New specific schedules for eight Texas towns with no change in key rates were announced by Fire Insurance Commissioner Campbell, including Bedias, Godley, Howe, Petersburg, Roanoke, Sacula, Timpson and Talpa.

#### Texas Notes

The Tulla, Tex., Produce Company was destroyed by fire last week and the postoffice and bank adjoining were badly damaged with loss of \$35,000.

The Paris Candy Company's plant and stock at Paris, Tex., were badly damaged by fire with loss of \$65,000 or more, with insurance of \$40,000 carried.

Georgetown, Tex., has bought an additional complete fire-fighting unit, comprising pumper, hook, ladder, 1,000 feet of hose and an 80-gallon booster tank.

Don L. Chapman, special agent of the Firemen's Fund in east Texas, has been

brought home from the hospital following an automobile accident Oct. 17 on a road north of Dallas.

Representatives of the National Board were in Dallas Saturday to give a 12-hour test to a fire engine pump manufactured by the Southern Fire Apparatus Company of Dallas, which pump it is hoped will add greatly to the facility of the fire departments in fighting small fires.

#### Arkansas Notes

Dwight Herendenen has sold the business of the Springdale Insurance Agency, Springdale, Ark., to P. W. Boone, and will return to his former home at Fort Smith.

#### Kentucky Notes

E. S. Tachau, of E. S. Tachau & Sons, Louisville local agents, was called to New York last week on account of the death of his sister, Miss Alma Tachau.

Joseph W. Pyle, insurance agent of Birmingham, Ala., died while on a visit to his brother, Monroe Pyle of Henderson, Ky., Oct. 26. Mr. Pyle was a native of Kentucky.

Harry B. Carpenter, insurance agent at Lawrenceburg, Ky., is dead, having hung himself in a barn at his residence the evening of Oct. 29. Mr. Carpenter had been in poor health.

The Kentucky Hail Underwriters' Adjustment Bureau, of which W. B. Brock of Lexington is secretary, has called a meeting at the rooms of the Louisville Board for Monday morning, Nov. 7.

Fire starting in the L. & N. shoe store at Louisville caused loss estimated at about \$25,000, including stock of shoes, damage to building and to an adjoining millinery store operated by Mrs. Sophia Dreyfus.

#### Virginia Notes

Carl A. Ruehrmund, long one of the leading architects of Richmond, and father of Paul L. Ruehrmund, well known local agent of that city, died last week, aged 72.

Capt. J. B. Angle, 85, solicitor for the city department of the Virginia Fire & Marine at Richmond for nearly a quarter of a century, is dead. He went with the V. F. & M. in that capacity in 1903.

Joseph N. Jacobs, Virginia state agent for the Commercial Union group, who broke his left arm in an automobile accident last week, is back on the job wearing the fractured member in a sling.

#### Pearl Assurance Enters Canada

Edward Tyrrell, fire and accident manager of the Pearl Assurance of London, has entered the company in Canada to write fire business direct. The company entered the United States some months ago to do fire reinsurance business. The United States manager for this business is Henry W. Gray of Hartford, manager of the London & Lancashire.

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## INSURANCE THOUGHTS from A Carolinian

How much did windstorm property damage cost the United States in 1926? Approximately \$4,500,000 from windstorms and hurricanes, while the tornado loss totaled \$3,000,000 more.

The answer given above provides insurance agents food for thought. It is apparent that the larger percentage of property damage is done by storms other than tornadoes and probably outside of the so-called tornado belt. In other words, the field

for Windstorm Insurance covers practically every section, and agents should endeavor to sell this line side by side with Fire Insurance.

In placing this and other business with The Carolina Insurance Company, agents have the satisfaction of knowing that their clients' insurance is handled by a Company financially sound and that provides every possible support in the operation of their agency.

—The Carolinian.



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59 Maiden Lane

## IN THE SOUTHERN STATES

### GRIFFITH NOW PRESIDENT

Secretary and Managing Underwriter of the Southern Mutual is Elected Its Chief

ATHENS, GA., Nov. 2.—Arthur E. Griffith, for over 54 years associated with the Southern Mutual of this city, and its secretary and managing underwriter since 1897, has been elected president in succession to the late Billups Phinzy. Andrew C. Irwin in turn was chosen secretary. By virtue of his long and honorable business career, Mr. Griffith is one of the best known southern fire underwriters. All consider his present elevation but a fitting reward for conspicuously able and long continued service. Though the Southern Mutual paid \$750,000 for losses in the Atlanta and Augusta conflagration of 1916-17, the amount has since been more than made good to net surplus account. An additional title to fame by Mr. Griffith is that he is the father of M. H. Griffith, manager for the automobile department of the America Fore group of companies at New York City.

### COMPANIES WILL BE HEARD

Virginia Legislative Commission to Receive Arguments on Question of Underwriting Profit

RICHMOND, VA., Nov. 2.—The Virginia legislative rate-probing commission, which held a two-day session in Richmond last week, will meet again Nov. 21. At that time legal representatives of the companies will be afforded opportunity to argue their side of the case before the body. Meanwhile they will be expected to file briefs. It is understood that the argument will center around the point as to the proper method of computing underwriting profit and loss. The commission has been wrestling with this question for some time and is desirous of getting all the light possible on it. A set of questions bearing on the issue has been forwarded to the attorneys. These are intended to serve as a guide for them in the briefing of their case. According to Dr. J. A. C. Chandler, chairman, the commission has a tentative draft of its report now in hand.

At last week's meeting, a committee from the Virginia Association of Insurance Agents appeared before the investigators presenting the agents' side of the case. The committee, headed by Louis T. Dobie of Norfolk, said the agents were unequivocally opposed to letting mutuals into the stock rating bureau. If the mutuals wanted bureau privileges they might operate one of their own. Other members of the committee were Calvert Dey, Norfolk, and James A. Scott, Lynchburg.

During the session, the commission took occasion to address a communication to Commissioner Button asking to be furnished with copies of a memorandum of the amount of unearned premium reserve on Virginia business as of Dec. 31, 1920, and each year thereafter to and including Dec. 31, 1925.

The understanding is that the commission's report will deal principally with fire rates. Compensation rates may be considered to some extent and there may be some reference to automobile rates. The commission was charged specifically with the task of determining whether the people of Virginia were paying higher rates than those in adjacent states.

Vice-President Frank E. Burke and Secretary H. S. Poole of the Home of New York group spent several days at Syracuse last week, conferring with their New York state field men.

### WELCOME TO FELLERS

Florida Blue Goose Enthusiastic Over Recognition Given One of Its Distinguished Ganders

JACKSONVILLE, FLA., Nov. 2.—Both Orlando and Jacksonville puddles of the Florida Blue Goose exult over the elevation of their favorite gander to the grand nest in the election of Deputy Most Loyal Grand Gander Wm. F. C. Fellers of the Florida pond to the office of grand keeper of the golden goose egg at the annual cackle of the grand nest in Dallas last week. Twenty-three ganders were present at the Monday luncheon in Jacksonville to welcome Grand Keeper Fellers and Delegate Beale Travis back home and to hear their reports of the doings of the grand nest. A standing welcome with hearty congratulations greeted their entrance to the dining hall and a beautiful basket of pink carnations with suitable inscriptions of appreciation was presented to each of the returning delegates.

Later the following program was received from the Orlando puddle addressed to Grand Keeper Fellers: "With an attendance of 24 at our Monday luncheon the Orlando puddle directs us to express its gratification at the signal honor conferred by your election as an officer of the grand nest. This national recognition of the most valuable member of the Florida pond has our enthusiastic approval and is a well deserved tribute to the right man for the right place."

### GILLENWATERS UNDER FIRE

Tennessee Fire Marshal's Reappointment Now in Doubt—Caldwell Weathers Storm

NASHVILLE, TENN., Nov. 2.—The seismograph of Tennessee politics this week showed violent disturbances in the neighborhood of the office of Ed M. Gillenwaters, state fire marshal and commissioner of labor. A shakeup in the personnel of several of the various state departments was indicated recently through the coming into office of Governor Henry H. Horton upon the sudden death of Governor Austin Peay.

The disturbances in the region of the office of A. S. Caldwell, commissioner of insurance and banking, indicated in rumors a week or more ago, seem to have passed over entirely, with Commissioner Caldwell, sitting firmly in his post, and with very little likelihood of his being supplanted.

The subject of Mr. Gillenwaters' reappointment or of his being supplanted in office may depend, it was announced last week by Governor Horton, on an investigation of the affairs of the office, which have been made the topic for a number of complaints recently, the governor said.

The acceptance of Commissioner Caldwell's resignation, which was automatically offered on the death of Governor Peay, it is understood was urged by certain men of considerable political influence in the state, who were dissatisfied with the very rigid enforcement by Mr. Caldwell of the rules of his office. Other men, however, of equal influence, friendly to the commissioner, hurried to Nashville, and prevailed upon the administration to retain him in his office.

### Plans for Tennessee Meeting

The local Knoxville committee has changed its plan for the meeting of the Tennessee Association of Insurance Agents to be held in that city Nov. 17-18. The original plan was to meet



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NET SURPLUS

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ASSETS

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SURPLUS FOR THE PROTECTION OF POLICY HOLDERS

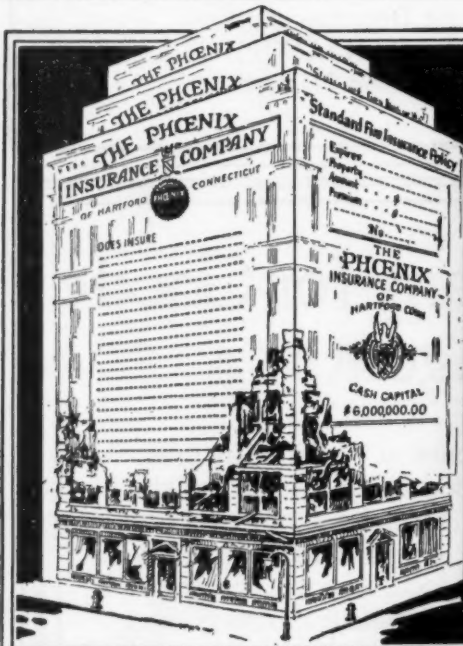
**\$30,128,138.96**

LOSSES PAID POLICY HOLDERS

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at Whittle Springs hotel, but inasmuch as it is quite a distance from the city, it was thought best to hold the meeting downtown. The convention will be held in the assembly room of the Elks home. The Farragut hotel will be the official headquarters. Henry G. McMillan of Knoxville is chairman of the publicity committee.

## Change Rule on Solicitors

LOUISVILLE, Nov. 1.—The Louisville Board has decided on a change in its by-laws, affecting solicitors. For years the organization had rulings under which solicitors paid \$100 initiation and certain dues, but to offset real estate and banking agencies the rules were removed and any agency could have as many solicitors as it desired, merely by listing them with the board.

Under the amended rule \$10 must accompany application, which will cover fee or dues for the current year and thereafter each person operating as a solicitor in a board office will pay annual dues of \$10 a month.

It is claimed conditions have been such that agents could hire and fire solicitors at will. From a few solicitors members of the board have taken on additional ones until there are about 260 employed by board members.

## Arson Squad at Murfreesboro

MURFREESBORO, TENN., Nov. 1.—Cooperation in the new fire prevention program in this state, instituted by State Fire Marshal Ed M. Gillenwaters, was pledged by the city council of this city, Friday night, which also made plans for a city arson squad, whose duties will be investigation of suspicious fires.

The squad will be organized along lines outlined by Mr. Gillenwaters and will make prompt investigation of all fires. It is hoped in this way, Mr. Gillenwaters pointed out, with the help of local squads in other Tennessee cities, materially to reduce the fire loss in the state, traceable to incendiarism.

Mr. Gillenwaters, who attended the meeting, outlined the work of the arson squad.

## Kentucky Field Meeting

LOUISVILLE, Nov. 1.—The Kentucky Fire Underwriters Association will meet Nov. 22 at the Brown Hotel, Louisville, with sessions at 10 a. m., and again at 2 p. m. This will be the annual meeting, with election of officers. This year the executive committee will be elected instead of appointed. There will be a semi-annual meeting of the Blue Goose at the same place in the evening, with banquet and dance.

## New Virginia Mutual

The Patrick Henry Mutual of Stuart, Va., chartered last week, plans to operate a mutual fire company in Patrick and Henry counties and possibly in other contiguous counties in that section of the state. Incorporators are A. C. Turner, Buffalo Ridge, president; J. R. Boaz, Stuart, secretary; L. W. Hylton and J. B. Hylton, both of Vesta; A. A. Anthony, Stella; C. L. Ayers, Stuart; J. W. Fair, Spencer; B. H. Cooper, Critz; Gid Watson, The Hollow; Will Mills, Brim, N. C. It is understood that the company ex-

pects to start business within the next two or three months.

## Ask Fire Inspector for Tampa

TAMPA, FLA., Nov. 1.—A committee of business men and city officials will go before the city commission of Tampa at the next meeting and ask for the appointment of a municipal fire inspector to investigate every fire, to gather evidence and to supervise prosecutions of every suspicious case. This move is a result of a statement attributed to Edward S. Davies, special investigation agent for the National Board, that 80 percent of fires in Florida are of incendiary origin.

The system would follow one adopted some time ago in Miami. Officers there have the right to go in any business establishment and examine stock and the premises for evidence of incendiary plots. The inspector would also work with the municipal building inspector in razing firetrap buildings, make tests as to faults of construction and cooperate with local insurance men in inspection of all types of structures.

## Kentucky Agency Changes

T. M. Cravens, agent at Tomkinsville, Ky., has sold out there to McCreary Brothers & Reeser and has purchased the interest of Miss C. L. Boles in the Wright & Boles agency at Hodgenville, Ky., which becomes Wright & Cravens. R. B. Thurman sold his interest to Miss Boles last March, and while the style of the firm had been changed, some companies had not made the transfers yet.

## Virginia Fire Marshal's Report

RICHMOND, VA., Nov. 1.—The annual report of the Virginia bureau of insurance shows that 67 alleged incendiary fires were investigated in the year ending June 30, 1927, by the fire marshal's department. In most instances the evidence was insufficient to secure convictions. Only three suspects were convicted and sent to the penitentiary. In two instances, origin of the fires were ascribed to the places being rendezvous for bootleggers and drunks. Altogether, 2,384 fires occurred during the year with resultant estimated property loss of \$2,217,856. Some of the causes assigned were: Defective flues, 339; electricity, 298; sparks, 153; stoves and pipes, 193; gasoline, 60; burning chimneys, 51; spontaneous combustion, 46; ashes, 35; lightning, 24; friction, 16; fireworks, 2; rats and mice, 2.

## Probe Football Bleacher Collapse

RICHMOND, VA., Nov. 1.—The city building inspection department is blamed jointly with owners of the property for the collapse during a football game of a bleacher stand at Mayo Island Park, by a special grand jury which probed the accident. B. C. Lewis, Jr., secretary of the Virginia Fire & Marine, served as a member of the special grand jury. More than 80 were injured.

It develops that the Mayo Island Park Corporation, owners and operators of the athletic field, carried only a \$5,000/\$10,000 public liability policy issued by the Hartford Accident. According to City Attorney Cannon, the municipality cannot be held responsible for an accident due to an error in its exercise of police supervision.

## ON THE PACIFIC COAST

### BACK UP STATE ASSOCIATION

Local Agents' Organizations Throughout California Endorse Stand on Bank of Italy

SAN FRANCISCO, Nov. 2.—Many of the local agents' organizations throughout the state have held meetings prior to the Sacramento convention to consider the subject of Bank of Italy appointments. One of the largest of these was the meeting of the Contra Costa Insurance Agents' Association in Martinez on Oct. 28, called by C. A. ("Cappy") Ricks, who has been making an exhaustive investigation of conditions throughout the state by sending out several hundred questionnaires to the local agents.

That the life agents are also taking an

active interest in the matter is evidenced by the unanimous endorsement given the action of the officers of the San Francisco Life Underwriters' Association in adopting a resolution condemning the solicitation of life business by banks and other financial institutions. This endorsement and a vote of complete confidence in the officers of the association were given at a meeting held in San Francisco, Oct. 27. A similar resolution was adopted by the 175 members of the East Bay Life Underwriters' Association at a meeting held in Oakland on Oct. 28.

At the Contra Costa meeting the following resolution was adopted:

"Be it resolved by the Contra Costa Association of Insurance Agents in regular meeting assembled in Martinez, Oct. 28, 1927, that we pledge our support and cooperation to the California Association of Insurance Agents in its

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stand in this matter and we hereby pledge ourselves to follow the leadership of the state association in whatever steps it may see fit to take to correct the situation, and if the state association should adopt a resolution asking local agents to discipline any company or financial institution we will act as a unit in so doing."

#### Get Universal on Coast

Fred S. James & Co. have been appointed Pacific Coast general agents for the Universal Insurance Company which is now entering the state to write other than marine business. The company has been entered for several months to write this class of coverage.

#### Seek Reduction of Fire Loss

LOS ANGELES, Nov. 1.—Urging municipalities to adopt building ordinances which will provide the most modern and effective construction and appliances to prevent spreading of fire in congested districts, the Pacific Coast Safety Conference, at its annual meeting in Los Angeles last week, adopted a resolution endorsing all measures designed to reduce the nation's annual fire loss.

The serious problem of fighting and controlling oil and gasoline tank fires was discussed by Robert E. Donovan, chief safety engineer of the Standard Oil Company of California. Three other talks on fire and fire prevention were given on the program presented by Chairman W. A. Chowen, manager of the California Inspection Rating Bureau.

In point of both attendance and interest manifested, this conference was the most successful gathering of the various representatives of industrial and commercial organizations that has been held.

#### Blue Goose at Sacramento

The San Francisco Blue Goose is to hold a big party at Sacramento Nov. 3 which will include a golf tournament and initiation. The golf tournament

prize will be a trophy cup donated by the Sacramento Local Agents Association.

#### New Plan for Kern County

It is reported that because of the fact that the origins of many recent fires in Kern county, Cal., have not been satisfactorily explained, the Pacific board is considering the enforcement of a three-fourths loss clause, preventing the writing of fire policies covering more than 75 percent of the value of the insured property. According to a circular letter received by all Bakersfield insurance agents from H. F. Badger, secretary of the board at San Francisco, this ruling will be made effective within 30 days from Oct. 11 unless during this period "assurance is given the underwriters that every available method will be invoked to rectify existing conditions."

#### Organize at Everett, Wash.

Permanent organization of the Snohomish County Fire Insurance Agents' Association has been completed at Everett, Wash., with W. R. Booth as president; H. H. Petershagen, vice-president, and E. T. Kosbab, secretary-treasurer. Members of the executive committee are H. R. Willis, A. A. Gaston, Don Currie and C. S. McLean.

#### Coast Notes

The semi-annual meeting of the Pacific Board will be held at Del Monte Nov. 10.

J. A. McAnallan has been appointed office manager of the Dixwell Davenport general agency, San Francisco, resigning an underwriting position with the firm of W. W. and E. G. Potter.

Peter De Yager, former chief of a volunteer fire department at South Gate, a suburb of Los Angeles, who was convicted of second degree arson, was placed on probation for three years when he appeared in superior court for sentence.

Damage amounting to more than \$100,000, partly covered by insurance, resulted from a fire which swept the town of Tipton, Cal., near Porterville, in Tulare county, last week. Practically the entire business district was destroyed.

## NEWS FROM EASTERN FIELD

#### RATE DISCRIMINATION SEEN

##### Charge Is Made in District of Columbia By the Federal Bureau of Efficiency

The Federal Bureau of Efficiency has made a report regarding fire insurance rates for the District of Columbia. It is claimed that the city is being discriminated against. The report recommends that effort be made to secure an immediate reduction in rates, a cut of one-third being suggested. It is also recommended that the insurance superintendent be given more control of companies, brokers and agents. The bureau claims that the insurance laws of the district are out of date. It is also recommended that a competent actuary be appointed to conduct more adequate examination of companies.

The charge of discrimination is based on the fact that the District of Columbia is a compact municipality, well developed as to roadways and streets, served by an adequate water supply and maintaining an excellent fire fighting service. The average rate for 1921-25, inclusive, was 64c per \$100 of cover. The average for the United States for the same period was 99c, but, the report declared, the ratio of losses to premium received for the District of Columbia was 39.1, while for the United States it was 55.6. On that basis a 33 1-3 per cent reduction was advocated.

#### Eastern Notes

Herbert W. Greenland of Syracuse, N. Y., widely known insurance agent, died last week after several months' illness. He was 73 years old.

W. N. Edwards, special agent of the St. Paul in New York and Pennsylvania, has recovered from a recent illness and was a visitor at the home office the past week.

#### RHODE ISLAND AGENTS ELECT

##### Charles B. MacKinney Is Named President of State Association at Annual Meeting

PROVIDENCE, R. I., Nov. 2.—Charles B. MacKinney is the new president of the Rhode Island Association of Insurance Agents, unanimously elected at the annual gathering of the organization in this city last week. Other officers chosen were George R. Smith, vice-president; George I. Parker, secretary-treasurer, and John G. Henshaw, George R. Hathaway, Albert A. Edmonds, Packer Braman and Walter E. Shannon, regional vice-presidents. For the new year the incoming president named as chairmen of the various standing committees the following: Membership, R. C. Rathbun; finance, Chester F. Newcomb; conference, B. M. MacDougall; legislative, Thomas F. O'Donnell; fire and casualty prevention, Earl B. Dane.

#### Falls Hackettstown Speaker

Laurence E. Falls, vice-president of the American of Newark, spoke at a dinner given by the Hackettstown (N. J.) Kiwanis Club Nov. 1, giving an exposition of the advantages of stock insurance as taken from the history of insurance organizations dating back to the time of the London fire. Mr. Falls is an authority on the history and principles of fire insurance, being an instructor in the school courses of both the New Jersey and New York Insurance Societies.

#### Allemania's Hallowe'en Party

William Steinmeyer, president of the Allemania Fire of Pittsburgh, gave its employees a Hallowe'en masquerade party at the home office building. The officers and employees of the Republic Fire and the employees of the local office of the

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Pittsburgh Underwriters also joined in the festivity.

Among the out-of-town guests were a few of the Alleghenia's field men, including F. M. Yelton, Grand Rapids; W. P. Ray, Indianapolis; W. H. Wagner, Philadelphia; John R. Gurley, Memphis; Paul C. Noll, Philadelphia; W. A. Pryce, Columbus, and Kenneth J. Cole, Rochester.

## Pennsylvania Agents' Examination

HARRISBURG, PA., Nov. 1.—Since Pennsylvania's new regulations for the examination of insurance agents became effective on Sept. 1, 17 applicants for license have failed to pass the tests. There were 312 persons notified by the state insurance department to appear for the examinations but only 280 actually took them. Of that number 253 successfully passed the tests.

## Brokers Association Elects

The Massachusetts Insurance Brokers Association held its annual meeting and reelected Harry A. Stevens as president and general manager. The vice-presidents, Clement Paquet of Malden and Thomas Ashley of Boston, were reelected as was Harry F. Shaw of Boston, secretary and treasurer. President Stevens reported on the work of the year and dwelt especially on conferences on commissions with the Boston committee of the Eastern Underwriters Association and the National Bureau of Casualty & Surety Underwriters regarding compulsory automobile insurance.

## IN THE MOUNTAIN FIELD

## MOUNTAIN HANDBOOK ISSUED

New Publication from The National Underwriter Press Covers Colorado, New Mexico and Wyoming

The 1927-1928 Underwriters' Handbook of Colorado, New Mexico and Wyoming has just been distributed. This is the first edition of this book, covering this territory, to be issued by The National Underwriter Company, the last edition having been published about ten years ago by the "Insurance Report" of Denver. The book will be issued every two years hereafter.

The book contains almost 200 pages of agents arranged alphabetically by cities and towns together with their companies.

All of the licensed companies in the three states are shown with officers, financial standing, general agents and field men. Statistics are also given, showing premiums and losses of each company for two years. Much other useful information is shown, including lists of the fire, life and casualty organizations, general agents, state and special agents, resident and non-resident brokers in Colorado and other useful information, making this new edition a standard reference book on insurance business in these three states.

Copies may be secured from The National Underwriter Company, 420 East Fourth street, Cincinnati, O.

## Colorado Springs Wants Rerating

COLORADO SPRINGS, COLO., Nov. 1.—City Manager A. M. Wilson of this city has requested the National Board to make a survey of the city in an effort to cut fire insurance rates. The survey will be started within the next two weeks, according to L. A. Barley, engineer for the Rocky Mountain Board.

Since the last survey in 1921 the city has built a new central fire station, bought more apparatus and installed 48 new fire hydrants as well as enlarged the water mains of the city.

## Colorado Refinery Loss

CRAIG, COLO., Nov. 1.—Firemen succeeded in putting out flames which the refinery of the Texas Company, one mile west of here, after an explosion in which one man was killed and five others were injured seriously. Damage to the plant was estimated at \$30,000.



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## IN THE CANADIAN FIELD

### HAIL EXPERIENCE DISASTROUS

Loss Ratios in Western Canada From  
90 to 150 Percent—Rate Raises  
or Withdrawals Likely

WINNIPEG, Nov. 2.—An executive committee meeting of the Canadian Hail Underwriters Association took place here last week. H. H. Campkin of Regina, manager for Saskatchewan, with A. K. Olive and W. A. Smart of Regina and C. V. Dacre of Calgary, Alta., were present. Winnipeg members attending were P. A. Codere, William H. Hurd, John Wilson and W. J. Willcox. Reports from the three provinces showed that the hail damage for the season had been light in Manitoba, fairly heavy in Saskatchewan and very heavy in Alberta. It is estimated losses will aggregate about \$2,500,000. In Manitoba, it was estimated that \$470,000 had been received in premiums, and about \$162,000 had been paid in losses. A. K. Olive presided at the meeting.

As a result of the hail losses in western Canada this year being heavier than the average for the past ten years, it is possible that some consideration may be given to an increase in the rates by the companies, while it is also thought that some may withdraw from the field. Losses in relation to the premiums paid are estimated at all the way from 90 to 150 percent, the experience of the companies showing considerable variation. For the previous nine years, the average estimated loss was about 58 percent of the premiums paid, but this year's losses are expected to bring the average for the ten years up to 60 percent.

Losses paid on insurance carried under the municipal plan in Alberta have been very heavy. A. H. Tovell, manager of the Hail Insurance Board of Alberta, reports that the volume of business written this year increased almost 40 percent compared with last, 1,139,000 acres being insured in 1926 and 1,551,000 in 1927. Losses in 1926 amounted to \$680,000, while for 1927 they are about \$2,500,000, a loss ratio of 17 percent. The board found it necessary, after using practically all of the reserve fund built up in the last eight years, to set rates in some portions of the province higher than ever before.

### Warning on Forest Fires

The Dominion Forestry Service has issued a warning regarding the possibility of outbreaks of forest fires, owing to dry winds, and low humidity, and all precautions are being taken by the service to look after expected outbreaks. A few weeks ago there was a fall of snow in some areas, but this has since disappeared and, owing to the exceptionally fine weather, withered vegetation has been dried up by the sun, with the result that the underbrush and grasslands are in a very flammable state. With a rise in the humidity, and a little rain, the situation will be changed.

### Compulsory Plan in B. C.

VANCOUVER, B. C., Nov. 1.—The Vancouver city council has submitted a proposal to the cabinet, recommending that every motorist in British Columbia be required to carry insurance against accidents. It was suggested that all drivers carry insurance for public liability of \$5,000 as a means of protecting the general public. If a driver could prove that he was able to pay \$5,000 damages after an accident in which he was adjudged to be at fault, no insurance policy would be required in that case.

### Baloise Has Own Office

VANCOUVER, B. C., Nov. 1.—After operating in Canada through the A. S. Matthew & Co. general agency of Vancouver for the past six years, the Baloise Fire of Switzerland has established its own department office at Vancouver for the supervision of its Canadian business.

Arthur H. Johnstone, who has been assistant manager of the Matthew & Co. agency, has been appointed Canadian manager.

The premiums of the Baloise in Canada last year, chiefly from British Columbia, were about \$75,000, with a loss ratio of 46 percent. It will operate as a "tariff" company in British Columbia.

### McLeod Beats Chisholm in Golf

WINNIPEG, Nov. 1.—J. N. McLeod, winner of the "Black Trophy" golf competition, beat F. T. Chisholm, winner of the Western Canada Insurance Club competition, in a match game last week, by a handsome margin. Smith, Fess & Denison awarded a small prize for this event.

### Canadian Losses Compared

According to the "Monetary Times," fire losses in Canada for the week ending Oct. 19 are estimated at \$96,000, as compared with \$76,000 for the corresponding week of last year. From Jan. 1 to Oct. 19 losses are estimated at nearly \$9,000,000 less than for the same period of last year.

### Canadian Notes

Paul Alther, manager of the Swiss Re-insurance of Zurich, was a visitor to Winnipeg last week.

Fire which broke out on the top floor of the building housing the Oxford University Press in Toronto caused a loss estimated at \$175,000.

At Arran, Sask., a fire destroyed an entire block of the business section of the town. Three general stores, a garage, the telephone exchange and a dwelling were burned out, resulting in a loss estimated to be about \$50,000.

Visits from many insurance executives from all parts of the continent and many congratulations to Theodore Meunier marked the opening of the new head offices of the British Colonial Fire at 464 St. John street, Montreal.

The Imperial Guarantee & Accident Underwriters of the British America and Western Assurance has been licensed in British Columbia and has been admitted to membership in the British Columbia Fire Underwriters' Association.

Fire at Millet, Alta., destroyed a large portion of the business section, including a garage, drug store, restaurant, implement shed and a block containing apartments and offices. Help had to be enlisted from Edmonton. The estimated loss is placed at about \$35,000.

Damage to the extent of \$150,000 was caused by a fire which occurred in the Alger block, Oshawa, Ont. The Biltmore Cafe and several offices overhead were completely destroyed. An ice cream parlor adjoining was damaged by smoke and water and the Alger Press, job printing, suffered heavy loss.

## IN THE MOTOR FIELD

### UNDERWRITERS WATCH CASE

Automobile Finance Companies and Insurers Interested in Action Arising  
Out of Confiscation of Cars

NEW YORK, Nov. 2.—Automobile financing companies are primarily concerned in the case that was reviewed before the United States Supreme Court recently, when the Commercial Credit Company of Baltimore tested recent court decisions confiscating cars used in the illegal transportation of liquor. Automobile underwriters will await the outcome of the action with interest. The courts have ruled that the rights of mortgagors in automobiles seized while engaged in bootlegging cannot be recognized, the result being that credit companies that had unwittingly sold cars to persons who later engaged in liquor running have suffered heavily through the confiscation of machines.

The situation is different if the car used for bootlegging is, as not infrequently happens, a stolen one, in which case the rightful owner is entitled to its recovery. Each year fire companies are able to regain many automobiles stolen in the states and rushed across the

Canadian line by bootleggers, the Canadian government agents promptly turning these back when proper ownership is proved.

Despite the endeavor of financing companies to confine the extension of credit in automobile purchases to re-

spectable persons, they frequently suffer the loss of cars used in the improper transportation of liquor. The extent of the evil is recognized by the National Association of Financing Companies, which bulletins its members on the subject from time to time, sending them

important court decisions bearing on such cases and advising strict supervision in all suspect cases.

Hold Kansas Hearing Nov. 15

TOPEKA, KAN., Nov. 1.—The hearing on the insurance written by the Bank-

ers & Shippers of New York on motor cars handled by dealers at Hutchinson will be held Nov. 15 at Hutchinson. The hearing will be before John Smith, assistant insurance commissioner. This is the case in which the insurance company issues a master policy to the Monarch (CONTINUED ON PAGE 51)

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Most public officials such as treasurers (state, county and municipal) tax collectors, etc., are required to file bond. The courts of most states require the administrator, executor, or trustee of an estate to file a suitable bond. Bonds are also generally required in all legal proceedings such as attachment, garnishment, replevin, etc.

This brief outline indicates only a few of the numerous income-increasing opportunities open for the representatives of a strong and widely-known surety company, such as the F & D — a "friendly" company which cooperates with its representatives in every possible way.

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# The National Underwriter

November 3, 1927

CASUALTY AND SURETY SECTION

Page Forty-one

## LAST HOPE GONE IN RECIPROCAL APPEAL

United States Supreme Court Sees  
No Error in Associated  
Employers Case

## LEGAL DIFFICULTIES END

Judge Wilkerson Is Upheld—Blow to  
Interinsurance Theory in  
Final Decision

All legal difficulties in the liquidation of the Associated Employers Reciprocal through receivership in the United States district court at Chicago were put to an end last week when the United States Supreme Court refused to review the case. The upper court refused the petition of Sherman & Ellis, Inc., and two or three policyholders for a writ of certiorari reviewing the opinion of the United States Circuit Court of Appeals sustaining the decree of Judge James H. Wilkerson in the receivership. Nothing now remains but the still tedious detail of collecting in the assessments and getting back the refunds of dividends which members were ordered to repay in the decree of Judge Wilkerson. The work of collection is about 50 percent completed.

### Blow to Reciprocal Theory

The decision of the Supreme Court is a severe blow to the reciprocal theory. The main burden of the appeal was that the Associated Employers was governed by its own regulations as embodied in the powers of attorney and policy contracts and that the district court had no power to appoint a receiver. It was complained that the appointment of a receiver superseded the powers of the attorney-in-fact stipulated in the contracts and hence was a violation of the reciprocal plan on which the exchange was organized and operated, but this plea is found to be without weight.

Other grounds for the appeal were technical. One was that there was not the requisite diversity of citizenship in the case to confer jurisdiction on the United States court, the contention being that even if there was a receivership it was not a case for federal jurisdiction. Another technical point was that there is no jurisdiction of the United States court because the amount in controversy did not exceed \$3,000. The reasoning of the petition was very difficult to follow inasmuch as the plaintiff alone has paid or is liable for some \$35,000 in compensation claims and the total amount involved is something like \$3,700,000.

### Judge Wilkerson Sustained

The dismissal of the petition for certiorari without comment means that no reason could be found for disturbing the decision of the circuit court of appeals, and as that decision sustained Judge Wilkerson in every respect the proceed-

(CONTINUED ON PAGE 44)

## COMPENSATION RATES IN MINNESOTA ARE UP

### HEARING HELD THIS WEEK

Proposed Changes Bring Out Some  
Discussion as to Certain Industries  
in the State

ST. PAUL, Nov. 2.—The hearing on proposed changes in Minnesota compensation insurance rates got down to business this week with none of the fireworks that characterized the hearing a year ago. One by one the proposed 150 changes in rates were taken up by the Compensation Board and with only a few exceptions each was passed by without comment or argument. It is expected the work will be completed tomorrow. The Minnesota Employers Association was represented by T. D. O'Brien, former state insurance commissioner, E. S. Stringer with W. H. Burhop of Wausau, Wis., acting as actuarial advisor. Save for a few interrogations as to why the rating bureau deviated from formula in some cases and not in others, the employers' representatives had little to say.

J. E. Reynolds, manager of the rating bureau, indicated that the bureau proposed to stand by its proposals to the last ditch. Its schedule calls for 98 increases and 51 decreases with 550 classifications unchanged.

On only three classifications was there much discussion. A group of vegetable and fruit cannery men were on hand to protest an increase from \$2.53 to \$3.99 in their business. They contended this would put Minnesota canners at a disadvantage with those of Iowa and Wisconsin where the rates are much less than in this state. They argued further that the experience tables used in Minnesota were not fair as they were based on one or two exceptionally unfavorable years.

Another classification that brought some discussion was brewing. The bureau proposed an increase from \$2.78 to \$3.36 on the ground that the Minnesota experience indicates an upward trend. When the attorneys for the employers raised a question as to the need of this increase, C. H. VanCampen, member of the rating bureau, replied that the employers were in effect asking the insurance companies to do something which they would not ask their own members to do.

Sand and gravel work and cellar excavation were other classifications which were debated to some extent. As a general rule it was only where the rating bureau deviated from formula and used its own judgment in proposing changes in rates that there was any discussion.

### Sweet Is Cleveland Manager

Edward D. Sweet, who has been manager of the central Massachusetts office of the Maryland Casualty at Worcester, Mass., under the supervision of the Boston office of that company, has been appointed manager of the company's new branch office at Cleveland. Mr. Sweet has had several years' insurance experience in the territory which he is now leaving, including one year with the Massachusetts Rating Bureau.

## SEEK LEGISLATION ON NON-STATE CARRIERS

### AROUSED BY RECENT FAILURE

More Stringent Rules Wanted in New  
York to Prevent Repetition of  
Manufacturers Liability Crash

NEW YORK, Nov. 2.—As a result of the failure several months ago of the Manufacturers Liability of Jersey City, more stringent legislation than now obtains will probably be sought governing the operations of non-state casualty corporations operating in New York.

When the Manufacturers Liability went into the hands of receivers it had outstanding a great number of claims in this state, the status of which it is difficult to determine. "A Mr. Townsend, one of the receivers of the concern," according to the testimony of John E. Donahoe, director of the Workmen's Compensation Bureau of New York, "flatly refused to supply any information on the subject."

### Would Require Quarterly Reports

Not satisfied with the standing of the Jersey City company, the New York department refused to relicense it in this state last May. This action doubtless hastened the collapse of the organization. Charles E. Heath, chief of the casualty and surety division of the New York department, favors requiring non-state companies to file quarterly reports, making difficult thereby a repetition of such a miserable failure as that of the Manufacturers Liability.

### U. S. F. & G. Adds to Buildings

BALTIMORE, Nov. 2.—Construction of additions planned for the annex of the United States Fidelity & Guaranty is expected to begin immediately. They will cost about \$400,000.

The plans provide for the addition of five stories. They also include the erection of an addition on the rear of the lot now occupied by the medical department of the company. When completed the annex will be a 12-story building, occupying the entire block bounded by Calvert, Water, Grant and Mercer street. Terms of the contract call for completion of the work within ten months.

### Johnson & Adams Hosts

Agents in Washington and Richmond of the Continental Casualty and Continental Assurance were entertained in Washington last Saturday by Johnson & Adams, southeastern managers of the companies. Eugene G. Adams presided. The guest speaker was W. E. Lord, general agent for the two companies at Cincinnati.

### Donnelly Joins Eagle Indemnity

Thomas J. Donnelly has resigned as manager of the casualty department of Hoey & Ellison of New York, to become general agent for the Eagle Indemnity for Bergen county, N. J. He will open offices in Hackensack for the company. Mr. Donnelly has been with the Hoey & Ellison office for the past six years and prior to that was for 20 years with the Fidelity & Casualty.

## NEW LINEUP IN THE PHOENIX INDEMNITY

L. R. Swezey Has Just Been  
Elected President of  
the Company

## NO CHANGE IN POLICY

V. B. Chittenden and J. R. Robinson are  
Vice Presidents and Beresford Is  
Chairman of Board

NEW YORK, N. Y., Nov. 2.—Following the recent death of W. C. Falconer, president and general manager of the Phoenix Indemnity of New York, directors of the corporation have determined upon the following official appointments, immediately effective:

Percival Beresford, chairman of the board; L. R. Swezey, president and general manager; V. B. Chittenden and J. R. Robinson, vice presidents.

No changes in the general underwriting policy of the company is contemplated. That hitherto followed has proven eminently satisfactory.

### Mr. Beresford's Career

Mr. Beresford is a well known and highly regarded figure in fire underwriting circles, having been United States manager of the Phoenix Assurance of London since 1910. In addition he is president of its American subsidiaries, the Columbia, Imperial and the United Firemen's. Mr. Beresford is chairman of the executive committee of the National Board and active in the councils of other important governing bodies.

### Swezey is a Strong Man

That Mr. Swezey would be chosen to succeed his late chief as president of the Phoenix Indemnity, was wholly to be expected, he having been vice president and the active administrator of the company's affairs during the long illness of Mr. Falconer preceding his death. A native of South Dakota, having been born at Sioux Falls, Mr. Swezey received his education in Beloit College, in Wisconsin, later taking a law course at the University of Chicago and being admitted to practice in several states. His business career began in 1909 when he joined the claim staff of the Ocean Accident as an aide to Ralph F. Potter, then manager of the department at Chicago. After five years service he transferred to the Hartford Accident & Indemnity as head of its Pacific Coast claims division, so continuing for 11 years, working meanwhile in the underwriting and production departments, finally being given charge of the metropolitan branch of the company at San Francisco.

### Became Pacific Coast Manager

In February 1925 he accepted appointment as Pacific Coast manager for the Phoenix Indemnity where he remained until the first of the present year, when as vice president he was called to the



head office of the company in this city and to the active direction of its affairs. By reason of his rounded experience coupled with a pleasing personality, Mr. Swezey is unusually well qualified to fill the responsible post to which he has lately been appointed.

#### Casualty Underwriters by Training

Both Vice-presidents Chittenden and Robinson are likewise casualty underwriters by training as well as inclination. The former after some three years experience with the Employers Mutual of New York in both its claim and underwriting divisions, joined the staff of the Phoenix Indemnity as head of its metropolitan claim department in 1922. Four years later he was advanced to the important office of general claim manager for the company.

A graduate of Harvard, class of 1915, Mr. Chittenden is a member of the Casualty & Surety Club of this city and of the Harvard Club.

#### Mr. Robinson's Career

Mr. Robinson, though born in Minnesota of New England ancestry, removed with his parents to California at an early age and received his education there, being graduated from Leland Stanford University in 1920. After a brief association with his father in the local agency business at Hayward, he entered the service of the California Inspection & Rating Bureau, so continuing until 1924, when he transferred to the San Francisco office of the Phoenix Indemnity as head of its compensation and inspection departments. Subsequently he was given charge of the underwriting, together with supervision of the agency work. On the first of the present year he was called east as superintendent of agencies for the company, a task for which he is well equipped.

#### Financial Structure

Established in 1922 with a capital of \$500,000, the Phoenix Indemnity at the beginning of the present year reported admitted assets in excess of \$3,200,000 and a net surplus of approximately \$735,000. Its premium income in 1926 was approximately \$2,500,000. It writes all casualty lines save steam boiler and engine breakage, and operates in 22 states. Departments are maintained for the New England and for the Pacific Coast fields, and branch offices are located in Chicago and New York City.

#### PACIFIC INDEMNITY GOOD SHOWING FOR HALF YEAR

The financial statement of the Pacific Indemnity of Los Angeles for the first half of 1927 which has just been given out, shows that its assets increased during this period \$705,094, making the total on June 30, \$4,738,019. This is an increase of \$1,738,019 from the original total of \$3,000,000 at the time of the company's organization, Jan. 1, 1926.

In the face of this increase in assets the investment department of the company has secured an average return of 6.39 percent, according to the report. The excess of income over disbursements for the six months period amounted to \$706,764, or at an annual rate of more than \$1,400,000, as compared with excess income of \$975,184 for the year 1926.

Total liabilities amounted to \$2,653,760, leaving a surplus, after allowing for \$1,500,000 of capital, of \$1,153,760. Reserves for unearned premiums amounted to \$1,452,715 and reserve for unpaid commissions \$202,369. Unpaid loss reserve was carried at \$332,579 and reserve for unpaid taxes \$83,999.

The company operates on the general agency plan and is doing business at present in Washington, Oregon, California, Arizona, Utah and Nevada. It is believed that the company's first year showing of \$3,077,664 in premiums written sets a record. Results indicated for the current year make it appear that the premium income for 1927 will exceed \$5,000,000.

#### RESENT CRITICISMS MADE AT BANKERS' CONVENTION

#### BURGLARY MEN DENY LAXITY

Little Salvage in Such Losses, With Slight Opportunity for Compromising, If Companies So Desired

NEW YORK, Nov. 2.—Burglary underwriters are not a little incensed at what they term the wholly unwarranted criticism of their operations made by James E. Baum, manager of the protective department of the American Bankers Association, at the annual convention of the latter body at Houston, Tex., last week. After reviewing the number of robberies and burglaries suffered by both association and non-association banks throughout the country in the year ending Aug. 31, 1927, Mr. Baum charged the insurance companies with laxity in the prosecution of criminals, asserting "that the possibilities of salvage on an insured loss too often seem to determine the underwriters' action in prosecuting those responsible for losses which are insured." He added: "Unless the prospects for salvage are promising it is not uncommon for the insurance companies to do little more than spread the loss among their co-insurers."

The American Bankers Association maintains a protective department at considerable expense, its function being to run down criminals that have robbed or attempted to rob financial institutions. The slap at the insurance companies, underwriters feel, comes with particularly bad grace from Mr. Baum in the light of the contribution a number of the offices made to the fund of the protective department for use in following criminals in Mississippi and Alabama, where gangs had been especially active some months ago.

#### Deny Compromising Charge

Vigorous denial is made by the insurance men of the allegation that they compromise with criminals in refraining from their prosecution for a return of stolen funds and securities. As a matter of fact the history of burglary insurance is that little salvage is ever had, and hence no opportunity is afforded for compromising with crooks, if the companies were disposed so to do, which they most decidedly are not. As to tracing criminals, the insurance companies are prompt to follow clues, if they are at all promising, and in the course of each year spend considerable sums in such connection. While the insurance companies have no cooperative bureau for running down burglars or holdup men, not a few of the offices have men of their own, whose work it is to investigate every loss carefully, and if definite clues are obtained, to follow these relentlessly.

#### Attack Old-Fashioned Safes

The return of the bank burglar as mentioned by Mr. Baum, has already been noted by insurance men, the attack of yeggs in practically every instance being directed, as Mr. Baum states, against "old-fashioned soft safes and vaults, which are made obsolete by the torches, drills and explosives employed by the burglar of today." While practically all new banking institutions are installing safes and vaults of modern construction, and protecting them with alarm systems, there are yet thousands of concerns in all sections of the land where old fashioned safes are yet in use, and these offer but slight resistance to the skilled cracksmen, familiar with handling the acetylene torch.

The comparative ease with which holdups in banks were conducted in comparison with the laborious effort of safe breaking, induced a marked change on the part of crooks from the latter to the former practice, with the result that bank burglaries, once numerously reported, fell off to a considerable degree,

#### CHICAGO SAFETY COUNCIL WILL EXTEND ACTIVITIES

#### TO INCLUDE PUBLIC SAFETY

Figures Show Decrease in Automobile Fatalities Where Local Councils Are Active

Casualty companies are showing an interest in the program of activity that is being outlined by the Chicago Safety Council which plans to expand its present industrial safety program to include public safety. The first step will be an educational program among chauffeurs and owners of fleets of commercial vehicles and taxi-cabs. A school for commercial chauffeurs patterned after the Safety Council's successful schools of industrial foremen will be inaugurated.

#### Figures Show Difference

Recently compiled figures show that in the larger cities where work of this character has been carried on there has been a pronounced decrease in automobile fatalities. Boston, Mass., where the safety council is especially effective, and St. Louis, Mo., which has recently concluded a safety campaign, both show decided decreases in automobile deaths. In Chicago the increase in automobile fatalities in 1926 was 13.9 percent compared to the 1925 record. In the first nine months of this year automobile deaths in Chicago have increased 15 percent over the 1926 experience. Casualty insurance men are interested in the fact that for each fatality of this kind there occurs a monetary loss of \$26,000 in traffic injuries.

All the figures that have been compiled show that where an effective safety council is at work the record of automobile deaths and injuries is always smaller. From 1925 to 1928 in 30 cities having local safety councils there was a decrease of 17 percent in automobile deaths, while in 29 cities not having local safety councils and for which records are available there is shown an increase of 6.47 percent.

#### Insurance Men on Directorate

A number of local agencies and companies in Chicago are members of the Chicago Safety Council and the casualty men on its board of directors include: W. J. Smith, Indemnity Insurance Company of North America; C. H. Smith, Marsh & McLennan; Andrew Melody, Travelers; Robert Bolling, Aetna Life, and J. C. Bradley, Zurich Accident, all of whom are taking an active part in the Chicago Safety Council's present campaign.

with a corresponding rapid rise in the number of holdups. In recent months, however, burglarizing has apparently gained in favor, though without appreciable decrease in the number of holdups, and underwriters are once more concerned in the matter.

The provisions in bank burglary policies have become practically standardized, and little further changes in existing forms may be anticipated. Rates covering the hazard of night deposits through the use of approved "chutes" from exterior plates connected with bank vaults, were recently promulgated by the underwriters, and considerable business of this character is now being written, as the practice of making deposits after the close of banking hours is a growing one.

#### Consider Virginia, Maryland Revisions

NEW YORK, Nov. 2.—Committees of the National Council on Compensation Insurance were in session here several days ago considering rate revisions for both Virginia and Maryland. The suggested new figures, if approved by the ruling powers of the states named, will become effective Jan. 1.

#### MICHIGAN CASUALTY CLUB OPENS SEASON

#### BUSINESS PROBLEMS COVERED

Permanent Committee on Business Advancement Is Appointed—Future Meetings Announced

DETROIT, MICH., Nov. 2.—The Casualty and Surety Field Club of Michigan started the season with the meeting here Oct. 28. After luncheon president T. J. Hendra spoke briefly on the plans for the coming season and outlined in a general way the nature of the future meetings.

The address at this meeting was presented by A. S. Cowlin, manager of the Michigan branch of the National Bureau of Casualty & Surety Underwriters. His subject was "The Trend of Workmen's Compensation Insurance in Michigan." Mr. Cowlin made a comparison of volume and loss ratios of bureau companies, non-bureau stock companies and mutual companies. He suggested that one of the functions of the club should be the advancement of the interests of the casualty business and stated that no individual or body is better qualified than the club itself to present to the companies the problems which the branch offices and general agents are facing in Michigan.

During the discussion which followed the address, Albert Lipka, manager of the Detroit office of the Travelers, moved that a permanent committee on business advancement be appointed. President Hendra appointed to this committee Mr. Lipka, George Brown, secretary of the Michigan Association of Insurance Agents, and G. V. Groves, superintendent casualty department, Detroit office of the United States Fidelity & Guaranty.

In closing the meeting Mr. Hendra announced that the next two meetings of the club will be held Nov. 18 and Dec. 16, and that plans are being formed to provide features at these meetings which would be both entertaining and instructive.

#### TRAVELERS CONVENTION AT HOME OFFICE NEXT YEAR

HARTFORD, Nov. 2.—Agents of the Travelers who become officers of the Travelers Leaders Club by virtue of their accomplishments this year will meet in their annual convention next year at the home office in Hartford. The convention will be held in June, but the specific dates have not been announced. The last time that field leaders among the Travelers agents met at the home office was in 1926. The convention last June was held at the Chateau Frontenac, Quebec.

Among the thousands of Travelers agents throughout the United States and Canada 262 elected themselves club officers, and as a consequence attended the convention in Quebec. The number who will qualify for the convention in Hartford next June, however, will be considerably larger but the exact count will not be known until after the close of the present business year and the standing of the leaders has been determined.

The decision to meet in Hartford was made to enable the leading writers of multiple lines of the Travelers to note the rapid progress the company has made the last few years. Some of the changes that have been made in the home office since the last convention in Hartford include the completion of the building unit at Grove and Prospect streets and the improvement of the company's recreational facilities. The new 16-story building the company is now erecting on Central Row will be nearing completion by the time of the convention.

## TO EXCHANGE DATA ON MASSACHUSETTS RISKS

New Organization Formed by Companies Operating Under Compulsory Auto Act

### FULL INFORMATION FILED

Reports Are Obtained from Companies and from State Registrar of Motor Vehicles

BOSTON, Nov. 2.—As many and perplexing as the problems have been that have arisen out of the application of the Massachusetts compulsory motor vehicle insurance law, the effect of a gradual smoothing out is now being felt by the companies and the agents alike. The newest activity resulting from the process is the Massachusetts Automobile Insurance Exchange, the purpose of which is the exchange of information among the companies pertaining to the risk insured under this law. The information comes from two sources, the registrar of motor vehicles and the insurance companies, and constitutes a means of protection against impaired risks.

#### Companies Readily Give Support

In putting the plan into operation the first essential was the cooperation of all the company members of the Massachusetts Automobile Rating & Inspection Bureau, to insure a 100 percent knowledge of the risks. Little urging was necessary, the value of having constantly at hand a file from which all data is obtainable as to the moral hazard of a motor vehicle operator being obvious to the companies, and support was therefore secured within a few weeks after the plan was proposed.

The data is circulated on cards and in code, to subscribers or their representatives and indicates at once and at all times if a company has refused to renew or has cancelled liability insurance on a motor vehicle. If any action has been taken by the registrar with regard to the risk, this is also recorded on the card, together with cause and result of such action. It is intended that the "impairment" file be placed in the policyholders' index, merging the two, so that a single reference not only discloses the experience which other companies as well as the registrar have had, but what information the company has itself respecting the risk.

#### Company's Name Withheld

Notice of each cancellation or refusal to renew is sent immediately to the distributing agency which circulates the cards, the companies reporting the reasons for their actions in code. In relaying this to the subscribers, however, the company's name is withheld. Much additional information of vital importance will be made available in the recording of facts brought to the companies' attention through their own inspections and investigations. Substitute cards will be furnished from time to time whenever further or different actions are taken or for new items. In exceptional cases, particularly in respect to cancellations account of the moral hazard, the subscribers can arrange to receive additional information. It is anticipated that the plan will obviate considerable correspondence.

#### Registrar Does Not Give Reason

One of the primary reasons for having some central source for learning the cause for cancellation of a policy issued under this law is that the rating bureau is not informed in the registrar's notice of the reason for the company's action,

## ACCIDENT FREQUENCY IS SHOWING GREAT INCREASE

### WATCHING LIABILITY LINES

Casualty Companies Have Always Considered Automobile Business a Very Desirable Class to Secure

NEW YORK, Nov. 2.—The casualty companies have been watching the development in their automobile liability business, especially after the results of the last year were compiled showing an underwriting loss on the business for all companies. Of course in many instances, a number of companies through careful underwriting, inspection and selection of business are making money on their automobile liability business. In fact automobile liability is a desirable class and there is much competition for it. This is shown by the number of companies, stock, mutual and reciprocal, that are competing for the automobile class. Automobile liability has been regarded as the cream of casualty insurance. The fact of the matter is, however, that some companies find that there are indications which point to a different story in this particular field.

#### Close Tab Is Being Kept

Those companies that are keeping a very close tab on their business say that the accident frequency has increased up to Nov. 1, amounting to 12 percent. This rate is the result of a careful comparison of records of a large number of companies. In spite of the very intelligent efforts made by all hands to decrease automobile accidents, the record continues bad. It is not thought that the claim ratio will be any higher than last year. If safety methods and stricter traffic regulations had not been adopted, of course the accident frequency record would have been far worse.

#### Difficult to Explain Increase

It is difficult for casualty underwriters to explain this increase. Of course there are more and more machines being used. It was thought that intelligent drivers were becoming more cautious. Undoubtedly as drivers become more seasoned they become more expert and yet many of them take more chances. This season has been particularly desirable for motoring, owing to the very mild weather during the fall.

The fact that accident frequency is increasing will cause companies to watch the trend of the times more carefully because almost every accident means a claim. The average amount of money paid out per claim is gradually rising.

#### Acquire Insurance Sense

People are acquiring what might be termed an insurance sense in that they realize that if a person is insured there is considerable likelihood of some money being secured. Inasmuch as the automobile liability business has been regarded as the choice line by casualty companies there will be made every effort to keep it from getting into the danger line. Many feel that with the signs of the times appearing as they do, there should be no further reduction in rates.

hence there was no way of interchanging this information among bureau members, previous to the formation of the exchange.

Ultimately the real value of the exchange will be seen in its influence toward ridding the Massachusetts highways of irresponsible operators of motor vehicles. It will tend to stop the canvassing of insurance offices and agents for liability coverage, and act as a check on undesirable business.

The Century Indemnity, with H. W. Lindquist of Omaha as state agent, and the Great American Indemnity, with Sam Henderson of Omaha state agent, have been licensed in Nebraska.

## DRIVE FOR COMPULSORY LEGISLATION EXPECTED

### MONK'S STATEMENT A FACTOR

Say Six Months' Experience Is Insufficient—Voice Fears of State Fund Inroads

NEW YORK, Nov. 2.—Casualty underwriters confidently expect that as a result of the cordial endorsement given the Massachusetts compulsory automobile liability insurance law by Commissioner W. E. Monk of that state in his address before the recent meeting of the National Convention of Insurance Commissioners at Cincinnati, a number of measures patterned more or less closely after the Massachusetts statute will be offered in various states throughout the country, once the new legislative season gets well under way.

#### Believe Experience Inadequate

While assured of the ability and thorough integrity of Commissioner Monk, casualty men yet feel that an experience of six months with a law so radical in character as that now in force in Massachusetts is insufficient upon which to base final conclusions. They are hoping, therefore, that legislators elsewhere who now favor the compulsory insurance plan will wait until the Massachusetts experiment can be more thoroughly tested out. Yet another feature in connection with the matter to which they would call attention is the fact that labor interests in Massachusetts have petitioned the attorney-general of the state to submit to referendum vote at an early date the question of establishing a monopolistic state fund for carrying the automobile liability insurance of its citizens.

#### Fear State Inroads

Should a proposition of this kind carry, in all likelihood it would simply mean the entering wedge for the state's granting other forms of indemnity through the medium of a monopolistic fund, the machinery for which would, of course, be in the hands of the politicians. During the past few months Vermont, New Hampshire and Rhode Island, all three close neighbors of Massachusetts, have enacted automobile liability laws. In each case, however, these have been modeled rather on the Connecticut than the Massachusetts statute, those responsible for their preparation and passage concluding that the former was the more desirable type.

## TOO MUCH INSURANCE ON "AVERAGE" BASIS: HEYER

The publicity given to "the average man of America," as disclosed by the survey of the "American Magazine," should suggest to insurance agents the possibilities for a larger sphere of usefulness, in the opinion of James C. Heyer, vice-president of the Metropolitan Casualty.

"The average insurance agent," said Mr. Heyer, "is perhaps too apt to solicit insurance on the basis of average, rather than individual, requirements. Whether insurance be regarded as a business or as a profession, it has long since emerged from the era when 'ready-made,' or average, policy contracts can be solicited with benefit to the buyer or profit to the seller. To be even moderately successful under present highly competitive conditions, as insurance agent must operate on a 'custom made' rather than a 'ready made' basis.

"The average insurance agent has much to say about the 'law of average' as applied to his selling efforts," Mr. Heyer concluded, "but he must also realize that the service he renders to his clients must stand out above the average if his own success is to be worthwhile rather than the mediocre."

## DECISION A DANGER ON CROSSING CLAIMS

Automobile Driver Conclusively at Fault, Says United States Supreme Court

### EFFECT IN GUEST CASES

Suits Heretofore Brought Against Railroads Will Now Be Aimed at Insured Drivers

Automobile insurance companies must take immediate notice of the decision handed down Monday by the United States Supreme Court holding that a motorist struck by a train is himself to blame at law for the accident. The decision will have an immediate effect on the loss ratio on liability policies, already near the top of what the present rates will bear. The significance of the decision to automobile companies is in the guest hazard.

The growing prominence of the guest hazard is evident to anyone in touch with the way automobile damage suit verdicts are going. Frequently the newspaper reports of verdicts state frankly that the driver carried insurance.

#### Conclusive Against Driver

The Supreme Court decision holding the driver at fault from the mere fact of his being struck makes every crossing accident a conclusive case in favor of any of his passengers that may be injured. Guest cases are already looked upon with suspicion as collusive. Frequently the testimony of the driver is an admission against himself, when he carries insurance, especially when the plaintiff is a relative. In crossing accidents, however, it has been more usual for the party in the automobile to unite in a claim against the railroad, where the damages recoverable might be unlimited, rather than for the passengers to sue the driver and by fixing the blame on him preclude a claim against the railroad.

#### Insurance Loss Certain

With the railroad now out of the picture as a defendant and with a heavy percentage of all automobile accidents occurring at grade crossings, it is practically certain from now on that every grade crossing accident where the driver is insured will mean a heavy verdict. Heretofore there has been at least a chance of convincing the juries that the driver was not at fault, even when he was made the defendant. Now the Supreme Court rules that the mere fact of the accident establishes his fault.

#### Dangerous Selling Argument

Ordinarily a decision of this sort would be immensely strong for selling purposes. It makes the driving of an automobile far more hazardous financially than before. Yet it will be extremely dangerous to sell automobile insurance on the strength of this decision because using the case as a selling argument will simply fix in the minds of the driver and of the public the fact that the insurance is available to compensate on any and every crossing accident.

#### Doubt as to Exceptions

It is not clear whether there can be any exceptions under the Supreme Court ruling. The necessity of care in approaching and crossing a railroad on the part of the driver is not a new thing. In the case decided by the Supreme Court it was attempted to excuse the driver by showing that his view of the tracks was obstructed. The court not only rules out this as a factor but goes further and says that if the driver relies



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upon not hearing any signal he does so at his own risk. There have heretofore been many cases in various courts where the driver has been relieved of caution by his reliance on signals or watchmen maintained by the railroad. Failure of signal or watchman will no longer excuse the driver, although this point may be what is known as obiter dictum, as it is not clear that it was necessarily involved in the case decided.

### Highly Significant Language

The decision rendered by Justice Holmes had the following highly significant paragraph:

When a man goes upon a railroad track, he knows that he goes to a place where he will be killed if a train comes upon him before he is clear of the track. He knows that he must stop for the train, not the train stop for him. In such circumstances, it seems to us that if a driver cannot be sure otherwise whether a train is dangerously near he must stop and get out of his vehicle, although obviously he will not often be required to do more than stop and look. It seems to us that if he relies upon not hearing the train or any signal and takes no further precaution, he does so at his own risk. If at the last moment Goodman found himself in an emergency it was his own fault that he did not reduce his speed earlier or come to a stop.

The record disclosed that Goodman was killed in daylight by a train running at a rate of speed less than 60 miles an hour. It was contended by the estate that Goodman, who was driving a truck, had no view of the tracks because of trees and buildings until he was about 20 feet from the rails.

### Other Consequences Seen

The decision will also have an immense effect on property damage exposure, as well as on policy limits. When a train is wrecked by an auto hereafter the railroads may be expected to sue, and if train passengers or crew are killed or injured in numbers the total of claims, all fastened on the driver, is incalculable. Passengers, of course, can still sue the railroads on their common carrier liability, but the train crew now have a clear-cut case against the driver or his employers. The property damage loss in a train wreck may easily be far beyond any policy limits on such coverage heretofore conceived.

There may of course still be contributory negligence ascribed to the railroad or train crew, but as far as the automobile driver's passengers are concerned, his negligence in being hit by a train is now established as a matter of law.

The case was the estate of Nathan Goodman against the Baltimore & Ohio railroad.

## LAST HOPE GONE IN RECIPROCAL APPEAL

(CONTINUED FROM PAGE 41)

ings in the lower court become significant in regard to the status of reciprocal contracts. There has been a great effort by reciprocals to take themselves out from under the ordinary operations of law by setting up certain provisions in their contracts regarding suits, etc. The reciprocal pretensions suffered sadly in the receivership. A particularly severe blow was the remark made by Judge Wilkerson from the bench, that "the net result is the members are liable to third persons as partners and among themselves according to agreement." While partnership liability does not enter into the case, the presumption that Judge Wilkerson understood and correctly stated the law is sustained by the fact that his lengthy decree of some 50 or more typewritten pages was upheld in toto.

### Troubles Broke in 1924

The troubles of the Associated Employers Reciprocal came to the surface in 1924 when the exchange was unable to make a statement showing solvency to the satisfaction of the insurance departments. During a joint examination

by several states the evil conditions became evident and Sherman & Ellis, Inc., who had operated the exchange as attorney-in-fact, resigned and substituted Judge W. T. Irwin, of Peoria, as attorney-in-fact on the understanding that he would wind up the exchange. Judge Irwin quickly became convinced that liquidation was impossible without the aid of a court. Receivers were appointed but early in 1925 the members became dissatisfied and formed a protective committee. This committee retained the law firm of Fisher, Boyden, Kales & Bell and intervened in the receivership with the result that one of the receivers retired and the other continued to act with Fisher, Boyden, Kales & Bell as counsel. Thus the receivership has in effect been under the supervision of the members themselves.

The disclosures of the receivership were rather startling. They showed the exchange had been insolvent since 1921 and had not earned dividends credited to members in 1920. It had also been insolvent at other times back to 1912 but in the liquidation it was concluded there was no reason for going back prior to 1920 as the present claimants were not interested in previous insolvencies.

### Affected After Withdrawal

The books of the exchange were in excellent shape and permitted an equitable adjustment under the contracts of the members. The decree of Judge Wilkerson applies to all members concerned, whether or not they were still members at the time the receiver was appointed. Thus all those who received dividends in 1920 must refund to the receiver in part. Those who were members in 1921 and thereafter must refund not only all dividends but must pay the assessments incurred on their policies during the periods such policies were in force, even though such policies may have been terminated a long time before the receivership.

### Apparent Savings Mean Nothing

The great significance of the decree of Judge Wilkerson is the fact that apparent savings in a reciprocal mean nothing unless they are real. The decree, which stood the test of the Circuit Court of Appeals and the United States Supreme Court, opens up all old settlements with members who had retired from the exchange and orders them to pay according to the actual results in the exchange while they were members, regardless of what the results were thought to be when they retired from membership. In other words, the decree holds that dividends even when paid may be recovered years afterwards and that assessments may even be levied for periods on which the member thought he had earned a dividend. As reciprocals operate on written instruments on which the statute of limitations runs from 10 to 20 years in various states, the practical effect is that the apparent results of reciprocal operations can never be regarded as conclusive and even long after a member has left the exchange he is still subject to recall of dividends allowed on his policy and to an assessment in place of the dividends.

### Alberta Requires Bus Cover

EDMONTON, ALTA., Nov. 1.—According to the "Alberta Gazette," new schedules of insurance rates for passenger busses operating on Alberta highways, to cover personal injury or damage to passengers' effects, have been enacted by an order-in-council. The schedule of insurance varies according to the number of passengers carried or the seating capacity of the busses. Insurance for injury to one person, or for damage to the property, is the same in each schedule, but in addition, blanket insurance to cover all passengers must be carried and this varies in accordance with the capacity of the busses.

The minimum insurance which must be carried to cover personal injury to one person is \$10,000, while the minimum for property damage is \$1,000. For a vehicle with a seating capacity of more than 20 passengers the minimum is \$50,000.



## CONDENSED FINANCIAL STATEMENT

# CENTRAL SURETY AND INSURANCE CORPORATION

As Filed with U. S. Treasury Department

As of June 30th, 1927.

*The Central Surety  
was one year old  
June 30th, 1927*

It is licensed in 40 states, the District of Columbia, and with the Federal Government.

It has more than 2,000 licensed agents.

Its management is in the hands of experienced and successful underwriters.

Its net premium writings for its first year amounted to \$1,513,461.68, of which only \$132,000.00 was workmen's compensation.

A live company under live management invites you to "CENTRALIZE — FOR FRIENDLY SERVICE."

To represent this successful institution, address Drawer A, Gateway Station, Kansas City, Missouri.

Fred W. Fleming  
President

Dennis Hudson  
Vice President  
and Agency Mgr.

## ASSETS

Mortgage Loans on Real Estate (not over fifty percent appraised value) .....	\$ 295,406.40
Bonds .....	799,605.98
Premiums in Process of Collection (not over 90 days old) .....	520,577.81
Cash in Office and Banks .....	485,855.69
Accrued Interest on Investments .....	19,241.50
Other Admitted Assets .....	5,460.56
<b>Total .....</b>	<b>\$2,126,147.94</b>

## LIABILITIES

Reserve for Unearned Premiums .....	\$ 730,086.57
Reserve for Losses (excluding Schedule "P") .....	\$ 35,232.04
Reserve for Compensation and Liability Losses (Schedule "P") .....	135,864.70      171,096.74
Reserve for Commissions .....	143,725.09
Reserve for Taxes and Other Items Payable .....	52,836.14
Reserve for Reinsurance .....	7,052.58
<b>Total Reserves .....</b>	<b>\$1,104,797.12</b>
Capital .....	\$500,000.00
Surplus .....	521,350.82
<b>Capital and Surplus .....</b>	<b>\$1,021,350.82</b>
<b>Total .....</b>	<b>\$2,126,147.94</b>

Total Admitted Assets .....	\$2,126,147.94
Subscription Notes (Unadmitted) .....	\$102,519.68
Other Assets Not Admitted (excluding furniture, fixtures and supplies, charged off in full) .....	24,917.30      127,436.98
<b>Gross Assets .....</b>	<b>\$2,253,584.92</b>



## CASUALTY INSURANCE OUTLOOK IS FAVORABLE

Compensation and Automobile  
Liability Cause of Some  
Apprehension

### OTHER LINES AVERAGE

General Situation Such That Company  
Officials Feel Encouraged as to  
Future

NEW YORK, Nov. 2.—Present day conditions in the casualty and surety underwriting fields, though far from being ideal, might easily be worse, and on the whole company officials are encouraged with the outlook. In the major line of workmen's compensation insurance, the conflict of interest between mutual and stock carriers is still on, the latter insisting that they be accorded a rate upon smaller risks commensurate with the hazard involved, while the mutuals, not writing such business, seem equally determined that the suggested advance be not granted. Meantime the small assured is finding it constantly more difficult to obtain the indemnity which the laws of the great majority of the states require he shall carry. As a natural consequence the agitation for state compensation funds is steadily increasing. If assured that the entry of the state into the casualty business would stop with the writing of compensation insurance, not a few of the stock companies would be content to see the experiment tried, convinced that the prospect of making a profit out of the line is hopeless and only asking that meantime they be granted rates that would permit of their breaking even with the line.

#### Auto Liability Losses Grow

In recent years there has been a steady advance in the loss ratio of the erstwhile profitable automobile liability business, a condition attributed in part to the growing number of machines now upon the roads and to the steady extension of concrete highways, inviting reckless motorists to "step on the gas" and "let her rip." Alarmed at the loss trend of the line, company officials of late have been exercising unusual care in their acceptances of automobile risks, and as a consequence the record of the class is now showing some improvement. The elimination of taxicab lines, and the sharp curtailment of bus line acceptances, types of business that have proven highly expensive, has helped matters somewhat, and the opinion is expressed that the high peak of the loss record of the class has been passed and that, with the continued exercise of sound underwriting judgment, automobile liability insurance can still be made to yield a modest profit to the carriers.

#### Some Seek Rate Change

Some underwriters continue to hold that the basis of rate-making employed in the automobile liability field is erroneous, and assert that it should be predicated upon other primary factors than car valuations and garage locations, insisting that a "flivver" is able to inflict as serious injury upon a person as is a high-priced Rolls-Royce, while statistics are cited to demonstrate that the great majority of road accidents, and especially those of a serious character, occur in rural districts, rather than in the great centers of population; though in the tabulation of claims many companies follow the practice of charging such losses to garage locations, rather

## PRODUCERS OF RELIANCE CASUALTY ARE BANQUETED

### TOLD OF COMPANY'S STRIDE

Forty of Star Agents Gathered at New-  
ark—Vice-President Taylor  
in Charge

NEWARK, N. J., Nov. 2.—In appreciation of the admirable work performed by the agents of the Reliance Casualty during the past 16 months, the management of the company acted as host to nearly forty of its star business producers at a luncheon at the Newark Athletic Club a short time ago. Vice-President and General Manager R. B. Taylor acting as master of ceremonies. Talks, brief but to the point, were made by Mr. Taylor and by several of the field men, the former outlining the progress attained by the Reliance Casualty thus far in its career and the plans determined upon for its further upbuilding.

#### Sound Business Policy

He admitted very frankly that the service rendered by the company to both agents and assureds was not altruistic, but was rather dictated by sound business judgment; and that the policy was a sensible one was attested by the continued growth of the corporation. Byron Conklin, one of the star agents of the company and a recent accession to the directorate, told why he had accepted a place upon the board. Convinced that the plan of the company was a progressive one, he stated that by virtue of it he had been able to report a 100 percent renewal record. A series of questions propounded by Vice-President Taylor elicited answers from the agents, the majority taking part in the discussions and to their mutual profit. The entire gathering was conducted in excellent spirit, as a result of which the premium income of the company should show a considerable gain in the near future.

than to the territory where the accidents occur. The further contention is that the great congestions to be found upon the streets of the leading cities, is more than counterbalanced by the greater care exercised by motorists in driving in such communities, and by the superior traffic regulations there enforced.

#### Compulsory Laws Feared

General regret is felt in underwriting circles over the statements made by Commissioner Monk of Massachusetts, in his address upon the compulsory automobile liability law of his state, delivered before the recent gathering of the National Convention of Insurance Commissioners, company men feeling that the experience of six months, upon which the commissioner based his assertion that the statute in question had been a proven success, was entirely too short upon which to make any proper conclusion. It is appreciated that the legislature in a number of states throughout the country contemplate the enactment of statutes of the same general character, but have deferred doing so thus far until they learned the outcome of the experiment in Massachusetts. The hearty endorsement given the statute by Mr. Monk, it is feared, will result in the submission of a number of measures of kindred nature in various commonwealths during the next legislative season.

#### Others Are Satisfactory

Accident and health insurance continues to follow along between the profit and loss line, easily passing from the former to the latter if any untoward happenings occur, or if there be the slightest let up in close underwriting.

In the realm of burglary underwriting, matters generally are moving in satisfactory shape, practically all of the com-

## EXPANSION OF NATIONAL CASUALTY IS APPROVED

### COMPANY GENERAL CARRIER

Deposit of \$200,000 Is Made With  
Michigan Treasurer—Capital  
Increase Made

LANSING, MICH., Nov. 2.—Amendments to the certificate of authority of the National Casualty of Detroit, approved by the department last week, permit that company to begin immediately expanding its lines of coverage. The company now becomes a full-fledged general casualty carrier, including in addition to its original health and accident lines, automobile liability, public liability, property damage, collision, compensation, steam boiler, burglar and theft, engine and machinery, plate glass, and fidelity and surety.

The company tendered a \$200,000 deposit at the state treasurer's office last week in order to conform with the Michigan law relating to companies writing fidelity and surety. The company obtained authorization some time ago to increase its capital stock in order that an expansion of lines might be accomplished.

#### Aetna Life Washington Changes

John T. Jones, manager of the Washington, D. C., branch office of the Aetna Life and affiliated companies, is resigning as of Dec. 1 and will become associated with the H. J. Rust agency, district agent for the Aetna companies in Washington. Mr. Jones has been with the Aetna companies 15 years as manager of the government service bureau in Washington, an Aetna service office, and for the past five years manager of the casualty branch office as well. During his incumbency he has tripled the Aetna business in the city.

He is succeeded by A. J. Voorhees, formerly associate manager of the Washington branch, who has been with the Aetna companies for 13 years. He was formerly with the Springfield, Mass., branch office and has specialized in the accident lines. He will also supervise the government bureau and be assisted in that activity by B. S. Foster, Jr.

panies in the line holding membership in the National Bureau of Casualty & Surety Underwriters and adhering strictly to its regulations and rates. The only complaint heard in connection with the branch is the sloughing off in premium income which is rather pronounced in certain divisions of the business. No fault, however, is found with respect to losses, these being within bounds, even in such hitherto dangerous centers as Chicago, Los Angeles, Kansas City and New York.

In spite of rate reductions applied to many sections of the country, the plate glass business continues in satisfactory shape, and the same holds true as regards the steam boiler line.

Surety and fidelity coverage holds well in respect to writings, the general conviction being that the surface of possibilities in either direction has not yet been scratched and that within a few years avenues of revenue now undreamed of will be opened up to underwriters of vision.

#### Complain of Cost Plan

Some complaint is still heard regarding the reputed failure of the casualty acquisition cost conference to function with anything like the thoroughness anticipated of it, but such complaints are comparatively few in number and are not to be considered as offsets to the sound results accomplished for the business through the operation of the agreement during the past two years.

## SURETY OFFICIALS IN A BETTER MOOD

Believe That More Ethical Prac-  
tices Will Prevail in  
the Field

### MILITANT SPIRIT FOUND

Company Organization Has Tightened  
Its Hold and the Members Are  
More Obedient

NEW YORK, Nov. 2.—The Surety Association of America gives signs of becoming a more militant organization. Surety company officials in this city and elsewhere when interviewed by THE NATIONAL UNDERWRITER stated that they felt that conditions in the business would soon be materially improved. They feel that many of the abuses will be corrected. One of the main causes of digression from the straight and narrow path is due largely to suspicion. Companies receive from their agents intimation that competitors have offered a rebate or have been given authority to quote a lower rate. In 99 cases out of 100 these charges have been proved to be untrue. Agents themselves are very suspicious. If they feel they may lose a bond, they naturally suspect a competitor of doing something he should not do.

#### Almost All Companies Members

The Surety Association now comprises all the nation-wide companies, except the United States Guarantee. It still travels alone and now has but little sympathy from the big companies. The tendency is not to encourage the outsiders by taking or ceding reinsurance.

The action of the Surety Association in strengthening its rules against rebating will have a very wholesome effect. In some localities companies have been appointing contractors of their employees as agents and thus give a legalized rebate. This has been particularly true in Iowa and some other points where a few companies have run wild.

#### Opportunity for Publicity

The officials feel that there is a great opportunity to extend the service of suretyship and through proper publicity methods to acquaint the people with what the companies can do for them. It is felt that corporate suretyship has an opportunity to become a bigger factor than it has in the past. If the company officials can trust one another to a larger extent than they have in the past there is no doubt but that this class of the business will be able to achieve far greater results. If those interested in it can march ahead keeping step they can overcome all obstacles.

So far as acquisition cost is concerned, that will have to be worked outside the Surety Association. Very little has been accomplished yet although some companies undoubtedly have taken steps to get rid of some excess commission contracts that were a burden. No company is allowing its good agents to be sacrificed. So far it can be said that the program for reduction is acquisition cost has not functioned successfully. The public at large is not interested in a re-alignment of the producing forces or passing a commission from one group to another. What the public asks is that if there is to be a reduction in acquisition cost there shall be a real reduction. It is thought that the national agency committee may devise a plan whereby through the cooperation of local surety associations, something tangible can be accomplished.

## WORKMEN'S COMPENSATION

## MEDICAL CHIEF UNDER FIRE

Dr. David L. Conway, New York Commission Examiner, Recommended for Removal—Charges Denied

NEW YORK, Nov. 2.—In its report covering a survey of the treatment accorded certain claimants for workmen's compensation allowances, a committee of the State Industrial Survey Commission recommends the removal of Dr. David L. Conway as medical examiner for the commission, and his prosecution for "gross perjury" while testifying before the committee. It is alleged Dr. Conway was treating in clinics under his control at Syracuse and Auburn patients whose claims for compensation would officially come before him for examination. The report further urges an amendment to the workmen's compensation law of the state, making it unlawful for any physician or surgeon in the service of the department of labor to be interested in any way in the treatment of compensation claimants. Dr. Conway characterized the statements of the committee, so far as they applied to him as "a tissue of gossip and fabrication."

## Pennsylvania Compensation Figures

HARRISBURG, PA., Nov. 1.—Compensation awards made by the Pennsylvania Workmen's Compensation Board for the first nine months of 1927 amount to \$10,011,533, figures of the board reveal. In September the amount of compensation granted by the board was \$1,058,988.

Nearly half of the compensation awarded so far this year has been for fatal cases. The total for the first nine months is \$4,314,966 while the total for permanent disability is \$2,475,469. The remainder was allowed for temporary disability.

June holds the record for the largest amount of grants for compensation by the state board. In that month \$1,416,987 was allowed. In September the awards were divided as follows: Fatal cases, \$426,309; permanent disability, \$237,559; temporary disability, \$345,120.

## Name New Consulting Physician

The Missouri Workmen's Compensation Commission has appointed Dr. Edwin L. Hume of Bourbon, Mo., as consulting physician for the commission. He succeeds Dr. Earl H. Coon, who resigned recently to become first medical assistant on the staff of the State Hospital for Insane at Nevada, Mo.

Dr. Hume will assume his new duties at once. He is a graduate of the Barnes Medical College of St. Louis, Mo., and has been a general practitioner in Bourbon for several years.

## Sunstroke Held Accident

ST. PAUL, Nov. 1.—Sunstroke may constitute an accident within the meaning of the Minnesota compensation act. The state Supreme Court so ruled in remanding a case from the industrial commission in which the London & Lancashire Indemnity was the insurer.

In the same case the court held that apoplexy in an employee, suffering from arterio-sclerosis, due in part to an increased blood pressure caused from heavy lifting in his work, is an accident under the law.

## Mine Explosion Imprisons Seven

An explosion in the Quincy mine at Houghton, Mich., filled the shaft at a point nearly a mile below the earth's surface, imprisoning seven men, three of whose bodies were recovered within 48 hours. Relief crews were immediately organized and frenzied efforts were made to reach the unfortunate victims of the blast, but there was practically no hope maintained that any of the seven were alive. The compensation loss will be rather heavy.

## Drowning "in Course of Employment"

BOISE, IDA., Nov. 1.—James O'Neill, who plunged into the Clearwater river in a vain attempt to save a fellow work-



Liberal contracts, superior service and satisfactory adjustment of claims.

Accident and Health, Compensation, Automobile, Plate Glass, Liability (all lines except Physicians' and Dentists').

## CENTRAL WEST CASUALTY COMPANY

DETROIT, MICHIGAN

Surplus to Policyholders,  
December 31, 1926, \$1,375,069.61

MR. EXECUTIVE  
SAVE ON PAYROLL AUDITS  
RESIDENT AUDITORS

AT

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INDIANAPOLIS  
DES MOINES

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for YOUR Fall and Winter BOILER BUSINESS

PRIVATE DWELLING BOILERS (Round cast iron)

\$25.00 FOR THREE YEARS

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New York



CASUALTY

ALL FORMS

SURETY



man, met death in the course of his employment, the industrial accident board held in the case against the Fogles Construction Company and the Hartford Accident & Indemnity.

Defendants are expected to appeal to the supreme court, as there is no similar case reported in American jurisprudence. They claim O'Neil's act was entirely voluntary and outside his employment.

#### Can't Handle Admiralty Case

AUSTIN, TEX., Nov. 1.—In *H. D. Perkins vs. United States Fidelity & Guaranty*, the Texas Supreme Court held that persons injured in Texas ports while working on ocean going vessels must look to the federal Admiralty Court for damages, as the state workmen's compensation act does not apply to such laborers.

Perkins was injured while engaged in maritime work on a sea-going ship. He was given an award by the Texas Industrial Accident Board and the insurer company instituted suit to set it aside. It was contended by Perkins' counsel that since the company voluntarily entered the state courts in the suit, it had submitted to the jurisdiction of the state court, even by agreement.

The supreme court holds that litigants cannot confer jurisdiction by agreement, that the laws fix that. Furthermore, that the insurance company in instituting suit took the only course open to it.

#### Coal Mine Fatalities in September

Accidents at coal mines in the United States in September resulted in the death of 153 men, according to reports furnished by state mine inspectors to the United States Bureau of Mines, Department of Commerce. Reports covering the first nine months of 1927 show 1,638 lives lost in accidents at coal mines, as compared with 1,821 in the corresponding months of 1926. There were no major disasters—that is disasters in which five or more lives are lost—in September, but the previous months of the year show eight such accidents with a resulting loss of life of 155. The same period of last year showed 12 major disasters and 270 fatalities.

#### New Massachusetts Monopoly Bill

An attempt to overcome the unconstitutional feature of a previous monopolistic workmen's compensation law in Massachusetts is being made through a new petition which has been filed by the Massachusetts branch of the American Federation of Labor for the approval of the attorney-general. The petition asks that 79 classifications be set apart as extra-hazardous. It is said, however, that these classifications are so broad that they practically include all lines of employment.

A commission is nominated to administer the law, with power to designate extra-hazardous occupations as they are discovered. The law would become effective 30 days from passing and would automatically abolish the industrial accident board 30 days after passage.

#### Teachers Want Law Changed

BISMARCK, N. D., Nov. 1.—Repeal of the workmen's compensation act as affecting teachers and clerks was asked in a resolution passed at the meeting of the school officers' section of North Dakota Educational Association in session at Bismarck the past week.

#### Preliminary Report Made

NEWARK, N. J., Nov. 2.—A preliminary report proposing standard methods for the estimation of permanent disability in industrial accidents was submitted at the recent gathering of the Association of Industrial Physicians & Surgeons in this city.

#### Discuss Quebec Compensation Act

QUEBEC, Nov. 1.—A delegation of 681, including insurance men from 73 cities and towns throughout the province of Quebec, waited on the premier recently in connection with the new workmen's compensation act, which is to be dealt with at the next session of the legislature. Five of the members gave addresses on behalf of the delegation, J. Jenkins of Montreal being one of the speakers. They advocated an open market for insurance as in the best interests of the public and most likely to produce the most satisfactory results both as to the injured man and to the employer. The premier replying stated that the cabinet had no desire to go into the in-

surance business, but found the rates charged by the insurance companies to be higher than those charged to similar industries in Ontario and they had asked the insurance companies to provide the government with a revised list of tariffs before next January.

#### Fall Into Ditch Not Covered

ST. PAUL, Nov. 1.—The state industrial commission has approved a referee's finding denying compensation to Mrs.

Solve Simmonson. The Midwest Insurance Company was the insurer.

The point involved was whether the plaintiff was injured in the course of her employment in a restaurant. She was on her way to work when she fell into a ditch on the premises of her employer. The referee held that she had not reached the working premises of her employer and that therefore the accident did arise out of and during the course of her employment. Commissioner J. D. Williams dissented.

## WITH BURGLARY UNDERWRITERS

### MAY DROP TEXAS BANK LINES

**Withdrawal of Companies Likely to Force Bank Closings as Protection Is Required by Law**

DALLAS, TEX., Nov. 2.—Companies writing burglary insurance for banks in the rural districts and smaller towns in Texas and Oklahoma have been having such unprofitable experience that they are threatening to get off those lines.

Already the companies have withdrawn protection from one Texas bank, which had to close its doors, sell its business to another bank in a nearby city and quit business. That was the Farmers National Bank of Buda, Tex., which was robbed three times the past year. The charter of this bank, and practically all other banks of its kind in the rural districts and smaller towns, compel the carrying of burglary insurance, to protect depositors. When the banks can not get proper protection, they have to close their doors.

More than 50 bank robberies have occurred in Texas in the past 18 months, some of them in the larger cities, but the majority in the smaller towns where there is little or no police protection. The same situation obtains in Oklahoma and Arkansas. The robberies have become so numerous that the press merely makes passing mention of them. Few of the bandits are apprehended and the most of these few go free when they face trial.

It is understood several of the companies now operating in Texas will cease writing bank burglary as soon as their present policies expire. The companies can not afford to take the risk

at the present rates—or at any rate unless the number of robberies shows a decrease pretty soon. If these companies withdraw from the field it is not likely that others can be persuaded to take over the risks. If they do not, it is possible there will be several bank closings from a new reason in Texas—inability to obtain insurance to protect them against bandits.

Not long ago practically all the casualty companies in the state ceased writing burglary protection for drug stores in the suburban districts of larger cities of Texas. They also ceased writing burglary and robbery for chain stores in the suburbs. They took that action because the losses had been so great they could not afford to carry the risks. They have also gotten off filling stations and cafes in the outlying districts of the big cities.

#### Will Revise Residence Rates

NEW YORK, Nov. 2.—As a result of its recent close study of the tabulated loss experience of the various divisions of burglary insurance, the governing committee of the burglary branch of the National Bureau of Casualty & Surety Underwriters will likely recommend a slight downward revision of residence rates in several centers of the country, where the results warrant such action. In only one city is an increase to be advocated. In addition, it is understood, residence burglary forms will probably be liberalized somewhat to embrace certain coverages not now included in policy contracts. In all other divisions of the business existing rates will be continued, these having shown to be sufficient to cover the loss experience.

## ACCIDENT AND HEALTH

### FIVE APPOINTMENTS MADE

**Continental Companies Announce New General Agents Eastern, Central and Southern Districts**

Five agency appointments, three in Pennsylvania, one in Illinois and one in Louisiana, are announced by the Continental Assurance and Continental Casualty. They are the following:

Paul Brown, a former captain of U. S. Marines and a prominent Y. M. C. A. worker of Reading, Pa., will conduct a life and accident and health general agency for the Continental companies in that city. Mr. Brown began his work for the company by sending to the home office in the mail following the one that carried his signed agency contract three applications for a total of \$150,000.

The Salsburg Agency, Wilkes Barre, Pa., has been appointed a life general agency for the Continental Assurance.

The Hunter-Dyer Agency, 604 Keystone building, Pittsburgh, Pa., has been appointed a general agency for both Continental companies for southwestern Pennsylvania.

O. H. Sturgeon, who has for some years done a general insurance business in Springfield, Ill., has been appointed general agent for life and health and

accident lines at Springfield. His offices are in the Ferguson building.

Harry Kaufman, New Orleans, one of the most prominent fire insurance agents in the south, has appointed Alvin Hovey-King as assistant general agent for the Continental to develop a life department. Mr. Hovey-King is a Harvard graduate. He formerly represented the Aetna Life. For a time he served in the United States diplomatic corps and following that served in the United States naval service.

#### Organizing Southeastern States

N. W. Allread & Co., general agents at Jacksonville, Fla., who have recently taken over the states of Florida, Georgia, Alabama, Mississippi, Louisiana, North Carolina, South Carolina and Arkansas for the Inter-Ocean Casualty, are rapidly effecting an agency organization throughout that territory. They will handle exclusively a special monthly payment health and accident policy adapted to the business of the south.

The general office will be located in the Consolidated building, Jacksonville, under the personal direction of N. W. Allread, and the Florida branch office at 310 Lutz building, Jacksonville, will be under the management of J. H. Bonnette, with a line-up of seasoned men. H. K. Reid will be manager for Alabama and Georgia, with offices at Birmingham, Ala. C. J. Bailey will open offices in Jackson or Meridian, Miss., to cover Mississippi and Louisiana and contracts

are pending for managers for the other states.

Mr. Allread, the head of the organization, has been in the business for the past 16 years, having been with the Provident Life & Accident as state manager for North and South Carolina, then with the American Bankers in the same capacity until Sept. 1, 1926, when he was appointed manager for the accident and health department of the United American Life, whose business was recently reinsured by the Inter-Ocean in Georgia and Florida.

#### Names Western Field Supervisor

F. W. McIntosh has been appointed western field supervisor for the Monarch Accident, in charge of all agencies west of the Mississippi river, according to announcement made by C. W. Young, president of the company, who was in Des Moines last week to attend the convention of Iowa-Nebraska agents. Mr. McIntosh has been with the Monarch since April, 1926, at which time he was placed in charge of the Des Moines agency.

#### Peerless Takes Over Union

TOPEKA, KAN., Nov. 2.—The Peerless Life & Accident of Topeka has taken over the business of the Union Insurance Company of Wichita. The Union had about 800 policyholders and a premium income of approximately \$25,000 a year. It formerly was located in Topeka but some years ago the control of the company changed and it was moved to Wichita. Now it is going out of business because the managers had other lines which prevented them giving the attention to the company that the business required. By the terms of the merger contract the Union is to settle all claims arising previous to the merger and the reserves on all outstanding policies are turned over to the Peerless to protect the policies in force. The Peerless has sent out riders to be attached to all Union policies under which the Peerless assumes all liability under the policies.

#### Dixie Life Elects Officers

H. E. Satterfield has been elected president and Hugh Stephens secretary and general manager of the Dixie Life of Raleigh, N. C., which recently received its charter. The authorized capital of the company is \$100,000 and it begins business with paid in capital of \$25,000 and paid in surplus of \$12,500. The company is organized to write industrial life and health and accident business. The plan is, however, to issue ordinary life policies later. General Manager Stephens has been a member of the North Carolina insurance department and is experienced in the business.

#### Luncheon for Time Agents

MILWAUKEE, Nov. 2.—Thirty-five attended the luncheon given by the home office of the Time Insurance Co. on Insurance Day last week. Among the guests were W. G. Alpaugh, secretary of the Inter-Ocean Casualty, Cincinnati; Harold R. Gordon, executive secretary of the Health & Accident Underwriters Conference, Chicago; J. J. Helby, president of the Federal Casualty, Milwaukee, and E. A. Piepenbrink, Wisconsin Mutual Liability, Milwaukee, presiding chairman at the Insurance Day sessions.

Mr. Piepenbrink, in a talk to the agents and guests, urged them to further the educational movement to bring insurance into the public mind, aid in removing the "mystery" of it from the public, and in creating favorable public opinion.

John D. Rogers, agent for the company, gave an inspirational talk in which he pointed out that the health and accident underwriters should give more service to their policyholders.

#### Have Elaborate Agency School

The life, accident and group departments of the Chicago branch of the Travelers will open another field guide course for new agents on Nov. 7. A similar course has just been completed during which time new agency material received the course of instruction given. Plans for the course require the daily attendance for one hour of all new agents for class room instruction along life, accident and group lines for a period of four weeks. Class room study is supplemented by guided field work for the balance of the day. Following the four weeks office and field guide course, each man continues under guidance of his respective office for another period of six weeks.

Accident and health contracts and ac-

cident and health underwriting are taken up during the early part of the course while the last two weeks of instruction embody life insurance and sales methods. Under this heading are included discussions of salary allotment, group, wholesale and other life plans. Classroom instruction and field work supervision is under the guidance of Assistant Manager A. R. Hustad.

#### Accident Notes

John Ryder DeWitt, assistant manager for the Mutual Benefit Health & Accident in Chicago, was recently married in Omaha to Miss Helen Brennan of that city.

Miss Ruth E. Miner, following the completion of an educational course with the Connecticut General Life, has joined the sales force of Allen, Russell & Allen of Hartford. She will specialize in accident, life and group insurance.

#### AMONG SURETY MEN

##### SETTLEMENT AT DES MOINES

**Companies Pay on City's Depository Bonds, Following Unfavorable Supreme Court Ruling**

DES MOINES, Nov. 2.—The city of Des Moines has profited to the amount of \$70,337 from a decision of the Iowa Supreme Court regarding public funds on deposit in the Mechanics Savings Bank, when it closed its doors nearly three years ago. This sum was paid by five bonding companies which undertook to guarantee the city's funds under the former state banking laws. These bonds were written when a state law gave preference to public funds in case of a bank failure, but in the case of the Mechanics the failure did not occur until a following legislature had repealed that law. The District Court held that the law was still operative as far as it concerned these bonding companies, but the state Supreme Court reversed the lower court and held that the repeal of the preference act annulled previous restrictions.

The settlement agreed upon covers the city's deposits in the Mechanics Savings Bank, plus 2 percent interest on 90 percent of the deposits from Dec. 31, 1924, to date of settlement, which was the amount paid on public funds under the banking law then in force. The companies involved were the Northwestern Casualty & Surety, London & Lancashire Indemnity, New Amsterdam Casualty and Globe Indemnity.

##### REPORT ON NATIONAL SURETY

**New York Department Points Out Some Features It Ran Across in the Examination**

The New York department has made its report on the examination of the National Surety as of Dec. 31, 1925. This report of course deals with the company almost two years ago. There are some features in the report however that are of interest. One shows that incurred losses in the surety business may not materialize for some time after they occur. The examiners reduced the valuation of the New York Indemnity stock held by the National Surety by \$356,000 due mainly to subsequent information as to losses and liability claims. They also disallowed \$343,000 salvages on banks in process of liquidation. They charged the company with additional reserves of \$634,131 for losses on which notices had been received some time later.

The examiners however credited the company with savings on its reserves on losses on which it had put up excess estimates and salvages on losses paid in previous years, the total amounting to \$383,000. They increased the value of the home office building by \$239,000.

It is interesting to note the progress

of the company since the statement of nearly two years ago. Its quarterly statement as of Sept. 30, last shows that the assets were \$49,590,576, premium reserve \$11,135,847, claim reserve \$5,040,190, additional reserves \$425,000, net surplus \$10,000,000, undivided profits \$2,202,045. The capital is now \$15,000,000. It has a policyholders' surplus of \$27,202,045. The company enjoys a very progressive management.

#### No Bond; Removed from Office

RICHMOND, VA., Nov. 1.—For failure to furnish a new surety bond of \$60,000 following discovery of an alleged shortage of \$43,000 in his accounts, Arthur L. Warthen, treasurer of Warren county, Va., has been removed from office by the circuit court of that county. Warthen was previously bonded in the Aetna Casualty & Surety. This company was permitted to get off the bond following discovery of the alleged shortage. Public officials in Virginia are required by law to furnish corporate surety. The removal order stated that Warthen was guilty of "breach of duty" in failing to give a new bond.

#### Big Boston Contract

BOSTON, Nov. 2.—Surety underwriters are advised that the Metropolitan District Water Supply Commission will receive bids Nov. 18 for the construction of 14 miles of tunnel and appurtenance in the towns of West Boylston, Holden, Rutland, Oakham and Barre, the estimated cost of which will be from \$8,000,000 to \$10,000,000. A lump sum premium payable in advance has been fixed at 2 percent on the contract price for the term of the construction bond the successful bidder will be compelled to furnish.

#### New Rates for Protective Devices

NEW YORK, Nov. 2.—The Surety Association of America having sanctioned discounts in forgery bond rates for the use of protective devices, the following schedule, effective Nov. 1, was issued a few days ago by the Towner Rating Bureau:

	Check	Safety	
	Writer	Paper	Both
Commercial form....	5%	2½%	7½%
Depositors' form....	10%	5%	15%
Bankers' limited			
forgery .....	10%	5%	15%

Riders have been promulgated providing for the use of check writers and safety paper on the three classifications.

#### Didn't Urge State Bonding

MADISON, WIS., Nov. 1.—In a recent issue of an engineering publication, it was stated that at the national convention of state highway engineers in Denver, H. Kuelling, state highway engineer of Wisconsin, recommended that the state carry its own surety bonds on contractors doing interstate road building.

Mr. Kuelling declares that he recommended no form of insurance at the Denver meeting. He says that he mentioned half a dozen ways of protection in interstate road building and merely mentioned the state carrying its own surety bonds as one possible method.

#### PERSONAL GLIMPSES OF CASUALTY MEN

Dr. Harry W. Dingman, medical director of the Continental Casualty and Continental Assurance, spent last week in his home at Chicago after being discharged from hospital following an operation for duodenal ulcer. He sailed from New York on Thursday this week for England. He will be abroad until Christmas. He stated that it is his intention to tour England and Scotland and then cross to France, where he will spend about three weeks. He does not expect to report at his office until the first of next year.

The tower of the administration building of the Maryland Casualty at Baltimore, has been enhanced in attractiveness by a new cupola which has a utilitarian value as well. It is a copper beacon lantern surmounted by a copper compass and weather vane.

The beacon lantern shows a white

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light at night which beams steadily except on the quarter hours, half hour and hour. On the quarter hour there is a red flash; two red flashes on the half hour, and three red flashes on the third quarter hour. On the hour there are four red flashes followed by white flashes indicating the hour. The rays of light are visible twenty miles away. The lights are operated automatically from the tower clock mechanism.

**Henry Swift Ives** of the Casualty Information Clearing House, Chicago, was the guest of the Cactus Club of Dallas at luncheon last week, and made a brief talk.

November is "Grant Month" with the Business Men's Assurance, in honor of President **W. T. Grant's** birthday Nov. 30. It has made November the largest month of the year for the past four years. In addition to the usual prizes a Grant Month cup is being offered this year. On this trophy the name of the winner of each Grant Month contest will be engraved until one man has won the cup three times, when it will become his property.

**Frazer B. Wilde**, formerly secretary of the accident department of the Connecticut General Life, has been elected secretary of the company to succeed **Walter I. King**, who has been elected to a vice-presidency. He has been connected with the Connecticut General since 1914, having been elected manager of the claim department in February, 1924 and secretary of the accident department in 1925.

#### **GALAXY OF SPEAKERS AT KANSAS AGENTS' MEETING** (CONTINUED FROM PAGE I)

each member of the association to make it his business to secure at least one new member during the coming year. He said he would like to see the day come when companies will not appoint an agent unless he is a member of the state association. He said that all insurance men have an interest in public relations. He urged the agents to pull together under one head. He said they should drive home their ideas to the public. He told of the good accomplished by having a state insurance day. He said it is good to have all branches of the business meet and discuss problems of interest to them. He would like to see the idea of insurance day expand more than it has. At the suggestion of **Mr. Chandler**, the association will appoint a committee to confer with men in other branches of the business with the idea of putting on an insurance day in Kansas.

In commenting on the insurance day idea, **George E. Turner** of Chicago said: "There is a real effect from such a meeting. When you bring all insurance men together, it brings into the state an insurance consciousness, the state becomes conscious of insurance. It has been most profitable wherever it has been employed." He predicts that some day every state will have such a day.

There was a general discussion on "The Sale Value of an Agency." Some interesting views were exchanged among the agents.

#### **Tells of Operations of New Compensation Act**

**Judge J. H. Crawford** of Hutchinson, member of the compensation commission, told of the workings of the new workmen's compensation act in Kansas, which was passed at the last session of the legislature. He said that the commission was getting fine cooperation from the insurance companies.

During the first three months of the operation of the act there were 2,637 accidents. He said in 54.2 percent of all accidents the claims were actually settled without litigation of any kind. If the act has the cooperation of the insurance companies, the commission and the employer, it is bound to work out in a satisfactory manner.

**Roy Preston** of Wichita told of the

## **WHY BUY FIDELITY BONDS?**

ONE of the most persistent excuses that solicitors for fidelity bonds find in attempting to sell their goods is that the prospect claims that he has absolute confidence in his employees and is in such close touch with his business that it would be almost impossible for them to embezzle any funds. **D. Neville Jones**, of the **T. E. Braniff Company** of Oklahoma City, Okla., has some interesting comment to make on the subject as follows:

Would you stake \$1,000 against \$5 that the average man is honest? Do you think it's a good sporting proposition? I don't. I'll tell you an actual experience directly in point:

Years ago I was assistant secretary in the bonding department of a surety company. My closest friend occupied a similar position in the casualty department and lived with my mother and myself. We were both devoted to him and had the utmost confidence in him; so did every one. He was clever, likeable and

capable. Years later he was convicted of defrauding the company out of approximately \$15,000. In prison he was organizer of a minstrel show which would have paid handsomely had he not appropriated all the proceeds, and I have just noticed an article, after losing track of him for several years, to the effect that he has been picked up for defrauding a Chicago house out of \$25,000—yet I'd have backed him like a brother. Surety companies take these chances every time they write a fidelity bond.

Human beings are generally honest. That's why they can give such enormous odds. The petty thieves can't get by. It's the brainy, trusted man you'd never suspect who does the damage.

The necessity for fidelity bonds is always apparent. Your daily papers contain accounts of defalcations as often as burglaries or fires and usually if protected at all the amount of the bond is insignificant as compared with the loss. An empty stomach or a sick wife or baby is an awful temptation to any man, no matter how honest, if money is within his grasp.

organization of the Western Motor Club. This is a new club and he urged all agents to join this association as soon as possible. Others who expressed similar views were **L. B. Brown** and **Frank Priest** of Wichita. At present the activities of this club are in the vicinity of Wichita, but it is predicted that the whole state will soon be covered.

In discussing collections, **Glenn Charlton** of Lawrence told of the practice in Lawrence whereby an assured must pay at least a \$5 deposit where a small policy is taken out. All the members of the local board at Lawrence are bound by this rule. **Mr. Charlton** said it helps a great deal to be in a position to say to an assured that this is a board rule. He said that many times when an assured is told of this, he will pay the whole premium. **Mr. Charlton** thinks this is a fine safety valve on one's credit.

There was some little discussion on "explosion insurance commission," and the question of cooperative advertising was also taken up.

#### **Value of Local Boards Discussed**

The value of local boards was also discussed pretty fully during this session. **George Fisher** of Wichita, secretary of the Wichita local board, told of the activities of that board and outlined some of its accomplishments. He explained the plan of distribution among the members of the board of the insurance on the public schools, county, municipal and **Y. M. C. A.** properties. The Wichita board is one of the most successful local boards in the country. During the past year they have had 44 regular luncheon meetings. There was an average attendance of 22 for the year. The question as to whether an agent should be a member of the state and National association in order to hold membership in a local board was brought up. **W. S. Thompson** of Hutchinson says he believes it is within the province of the local board to say whether its members shall be a member of the state and National association. In Hutchinson the local board members each get their share of the board of education business. **H. T. Baker** of Wichita said that one of the best results from a membership in a local board is the social feature.

#### **"Four Horsemen" of Kansas Association Active**

Three of the members of the now famous "Four Horsemen" of the Kansas agents' association hold important offices in the organization. **Charles G. Blakely** of Topeka, president of the association during the past year, and **Charles K. Foote**, secretary-treasurer, were reelected. **Frank Priest** of Wichita is the new chairman of the executive committee. During the past year these men distinguished themselves by put-

ting on a drive for membership and were successful in increasing the membership of the Kansas association 33.1 percent. This association showed a gain in membership of 68. Fifteen new local boards were formed throughout Kansas. As the result of the work of these men the president's cup was awarded to the Kansas association by the National body.

#### **BLAKELY GIVES ANNUAL REPORT AS PRESIDENT** (CONTINUED FROM PAGE III)

that each of these companies fall within the scope of the Milwaukee resolution.

#### **Members Urged to Recognize Their Agreement**

"It is provided, among other things, by the constitution of the Kansas Association of Insurance Agents that no member of this association shall represent any insurance company as agent, when in the judgment of our executive committee and the executive committee of the National Association of Insurance Agents, the practice of such company is intentionally and continuously in violation of our principles.

"The executive committee of the Kansas association recognizes the free right of all agents to represent any insurance company legally admitted to do business in this state, and the free right to elect between membership and non-membership in any voluntary association; but insists that all who seek membership in this association shall recognize the principles declared to be necessary for the preservation of the American agency system, and comply with our constitutional requirements."

In closing I recommend that during the coming year, we use every means to organize new local boards and strengthen the ones we have. With a state organization composed of strong local units, your national officers can function as they should in preserving the American agency system.

#### **LIVE ONE-DAY SESSION IS HELD IN HUTCHINSON** (CONTINUED FROM PAGE I)

able the companies to make a rate reduction on properly rodded buildings and their contents, without assuming any liability for contempt of court or without prejudice to the case in controversy, or any case arising out of it.

Much to the regret of the Kansas agents, **E. M. Allen**, past president of the National association and vice-president of the National Surety, was unable to be present on account of the illness of **Mrs. Allen**. **Mr. Allen** sent a letter to the convention explaining his absence. The agents in convention dispatched a telegram to **Mr. Allen**, expressing their sorrow for his non-attendance and best

wishes for the speedy recovery of **Mrs. Allen**.

**J. A. Giberson** of Alton, Ill., was the principal speaker at the business session, and **George E. Turner** made a decided hit at the banquet Friday evening.

#### **Many Towns Seek Next Year's Meeting**

Several towns extended invitations for the next meeting. The executive committee will decide where and when the next meeting will be held. It seems likely that Pittsburgh or some other town in the southeastern part of the state will be the scene of the next convention.

The annual banquet was held at the Bismont Hotel Friday night. President **Blakely** was toastmaster. **George E. Turner** was the principal speaker at this banquet. **J. A. Giberson** of Alton, Ill., who had spoken to the agents at the business session during the day, made a few remarks. He said if a man is not proud of his business, he should get out of it. He asked the field men who were present to pick out a decent man before appointing him as agent. **Bert Mitchner**, vice-president, was a member of a quartet which sang several songs for those present. **U. A. Shick**, special agent, Hartford Accident & Indemnity and formerly a member of the famous "Coon-Sanders Nighthawks," gave a piano solo. The affair was well attended.

#### **RURAL FIRE PREVENTION IS STRENUOUSLY URGED** (CONTINUED FROM PAGE IV)

agents on your next year's program, but during the past year, we have not asked you to do anything and we, therefore, feel privileged to ask you to do two things for us, in addition to the host of things which we hope the new committee will require of you.

First, we want all agents living in towns having volunteer or partly volunteer fire departments to see what arrangements are in vogue, in your respective towns, for phoning the whereabouts of the fire to the members of the fire department. Too much valuable time is lost, if all members must go to headquarters and ride out on the truck. Frequently the fire is within a couple of blocks of some fireman's home in which case he can reach the fire before the truck does, otherwise he can drive his own car and beat the truck. The town of Marion, at one time, had an arrangement with the local manager of the telephone system, as follows: When a fire alarm came into the phone office, the operator receiving it was to sound the siren, then notify the chief and the power house as to the location of the fire. Each fireman's phone had a yellow stripe on the board under his drop and the operators had instructions to advise all firemen calling in as to the location of the fire. No other citizens, however, were to receive any information. This plan worked admirably, until one day a "brass collar" came into the local office, burned the list of firemen and caused their marks to be erased from the board and instructed the operators to refuse information of any kind to the firemen. The city officials were not notified of this action and found it out only when a fire occurred, the location of which could not be ascertained by phone, the fire department being forced to drive around town until they located it. After this rude awakening the matter was taken up with some official of the phone company, who, at first refused to re-instate the original system and it was only after a day of wrangling and the use of some rather strong language, that he came across, and we are again happily getting to the fire without waiting until the blaze comes through the roof to show us where to go.

Second, we want you to urge your farmers to equip their main buildings with approved lightning rods. The loss of both life and property on the farm by lightning, is terrific and it has been demonstrated that fully 98 percent of the lightning losses would have been

averted, had the buildings been properly rodded.

Nearly every state except Kansas has an insurance credit where buildings are equipped with approved rods and Kansas, undoubtedly will have when the courts get through playing with the impounded premiums. In advocating the use of lightning rods, be sure that the property owner understands that he should use only rods bearing labels of the Underwriters' Laboratories and that they must be installed by a licensed installer. Each reel of cable must have a label which is visible to the purchaser. Points and other fittings, also, must all bear labels. The property owner is required to supervise the placing of the ground rods. When the job is completed the installer must make a report in duplicate, which must be signed by himself and the property owner. The property owner gets one copy of this report, the other copy going to the rod manufacturer, who in turn signs it and forwards it to the Laboratories, where a master label is issued to be attached to the building. The Laboratories have these jobs inspected at their convenience.



GLENN CHARLTON, Lawrence  
Former President Kansas Association

We have been told that in states where all companies give a lightning rod credit, that even the mutuals require approved rods. This fact should be impressed on the property owner who contemplates buying rods.

President Blakely appointed Holmes Meade of Topeka chairman of the resolutions committee, and Wm. Baurle was made chairman of the nomination committee.

Frank M. Chandler, Chicago, vice-president New York Indemnity, had stationed in the lobby of the Biscote Hotel a stenographer for the convenience of those at the convention.

#### Explosion Wrecks Salt Plant

The St. Clair, Mich., plant of the Diamond Crystal Salt Company was the scene of a serious explosion the past week. An excessive head of steam in a brine heater in the process building caused the blast, it is believed, blowing a section of the heater through the roof of the three-story building and toppling the lower portion over on its side, pinning an attendant workman underneath and catching three other men in a flood of scalding brine which it was feared might cause fatal injuries to at least one. Wind-whirls throughout the entire structure were shattered.

#### Fred M. Rose Promoted

Fred R. Rose, field assistant for casualty lines for the Travelers at Louisville, Ky., has been appointed assistant manager for casualty lines at the company's Indianapolis branch. Mr. Rose joined the Travelers agency organization in 1924 after having had experience in the company's claim department.

## Automobile Liability Decisions Given

In an action brought to recover for injuries received by a passenger upon a motor bus, caused by a wheel coming loose and slipping off the axle, held that the fact that the plaintiffs, in compliance with the defendant's demand, had furnished a bill of particulars of the alleged negligent acts of the defendant, which specified certain specific acts of negligence, was not of itself a bar to the application of the doctrine of res ipsa loquitur. *Rapp vs. Butler-Newark Bus Line Inc.*, Sup. Ct., N. J.

In an action for damages for personal injuries received by plaintiff when struck by an automobile which, while being operated by defendant, ran up behind him upon a sidewalk along which he was walking, where the evidence showed that plaintiff did not see the automobile approach nor hear any horn or warning signal, a motion by defendant for a nonsuit was properly denied, since, apart from the application of the doctrine of res ipsa loquitur, the evidence warranted the submission of the case to the jury upon the question whether defendant was negligent in not giving a suitable warning signal. *Smith vs. Hollander*, Dist. Ct. of Appeals, Calif., 1st Dist. Div. 2.

The motor vehicle was damaged because of unsafe condition of highway under reconstruction. Defendants had left an excavation unguarded during the night. There was proof that there was no barrier nor red light seen. Held that such a condition constituted a public nuisance. Contributory negligence cannot successfully be set up where the tort consists of a public nuisance. Contributory negligence in such a case and assumption of risk distinguished. Judgment for plaintiff affirmed. *Thompson vs. Petrozello*, Sup. Ct., N. J.

## NEWS FROM FIELD OF AUTOMOBILE INSURANCE (CONTINUED FROM PAGE 39)

Investment Company of Chicago and certificates to the buyers of motor cars who purchase on the installment plan and the Monarch handles the paper and holds the mortgage. The policy is a limited form, at a special deterioration rate and with \$25 deductible clause. The car owner has to pay for the insurance when he makes the deal for the purchase of the car on the installment plan.

The policy form has never been approved in Kansas. There was no way to make a satisfactory adjustment of the question by correspondence so the department required the company to appear for a hearing and make a showing as to the exact basis of the insurance.

#### Salesman Addresses Superintendents

At the meeting of the Automobile Superintendents Club of Chicago last Monday, C. H. Koestner, Chicago, manager of the fleet division of Community Motors, distributors of two makes of General Motors cars, told the superintendents the history of the manufacture and distribution of his company's cars and emphasized the value of the automobile to the special agent in covering his territory rapidly and making more and closer contacts. Regarding the rapidly growing business use of passenger cars, he said about 80 percent of all such cars on the roads in the United States today are used partly or altogether for commercial purposes.

#### Coast Conference Committees

SAN FRANCISCO, Nov. 2.—Joy Lichtenstein, Pacific Coast manager of the Hartford companies, has been appointed chairman of the executive committee of the Pacific Coast Automobile Underwriters' Conference. Other members of the committee are Harry Benner, vice-chairman, Great American and Phoenix of Hartford; F. M. Avery, Fire Association; A. T. Bailey, North British; John Marshall, Jr., Fireman's Fund; H. F. Mills, Aetna; Rollo E. Fay, Automobile; A. L. Merritt, America Fore; Arthur M.

Brown, Jr., Edward Brown & Sons; R. H. Griffith, Glens Falls; J. R. McKay, St. Paul Fire & Marine; F. J. Perry, Royal. Other committee chairman are: Actuarial and forms, Harry Benner; theft, A. T. Bailey; legislative, Wm. Deans.

#### Report Cars Well Insured

ST. LOUIS, MO., Nov. 2.—Exception is taken by the Lawton-Byrne-Bruner agency of St. Louis to the recent statement that there was practically no automobile tornado insurance in the tornado zone. This agency reports that since the Murphysboro tornado it has made a special campaign for tornado coverage on automobiles. About one-half of the 46 producers in this agency have automatically covered all cars that they have insured with tornado insurance, without telling the assured, simply adding the coverage at the time the policies were written. Since last May, all cars insured through this office have been so treated, so that all automobiles insured with the Lawton-Byrne-Bruner agency were covered against the tornado hazard.

#### Check on Intoxicated Drivers

HARTFORD, Nov. 1.—The state of Connecticut has been making a vigorous drive to eliminate as far as possible the intoxicated driver and this has lessened the loss ratio in the state. One of the big annual problems has been in curbing the drinking among motorists driving to the big football games held at the Yale Bowl in New Haven.

A very effective plan is followed this year. In New Haven the motor vehicle department has established a large army of "spotters." These men, whenever they observe any drinking in a car either parked at the Bowl before or after the game, make a record of the license number. This is reported to the motor vehicle commissioner, who writes a personal letter informing the car owner of his knowledge and demanding the names of every occupant in the car. These names are checked up and if the occupants are registered as also possessing automobile licenses they are written to and warned as to the practice and proper records established in the department in the event they are reported in any accidents. Then further, and unknown to either the driver or his guests, their names are forwarded to the football associations which are requested to make certain they do not receive any tickets for future games.

#### D. C. Elliott Promoted

D. C. Elliott, who for the last four years has been in the claim department of the Norwich Union Indemnity's Pittsburgh, Pa., office, has been made superintendent of the claim department in the Chicago office of the company. Russell S. Chaloner is the manager of the Chicago office. Mr. Elliott has been in the business 15 years, and immediately prior to going to Pittsburgh for the Norwich Union was in the claims department in the Chicago office of the Republic Casualty.

#### Wanted: Safety Engineer

To head Safety Department of young but strong casualty company. Home or Branch Office experience required. Address C-48, care The National Underwriter.

## WE WANT LIVE WIRE INSURANCE MEN

Highest commissions paid to those who can produce and organize a territory. We give better and more protection for the same money than any other company; also better service to policy holders and agents.

IF YOU CAN PRODUCE,  
WE NEED YOU

INCOME GUARANTY  
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(Stock Company)

Drawer 422 South Bend, Ind.

## Jan 1st. 1930

By that time every agent in your city will be selling our plan of DEFERRED PAYMENT INSURANCE. Why not get the jump on them and also increase your volume of business? Our plan is SOMETHING NEW and appeals to every merchant selling goods on time. We have users in every line of business, from aeroplanes on down.

Write us AT ONCE as our territory contracts are exclusive.



THE GUARANTY LIABILITY CO.  
1341 Third National Bldg.,  
Dayton, Ohio

## COMPENSATION UNDERWRITER WANTED

Home office of a leading Casualty Company located in large Middle West City has opening for a thoroughly experienced Compensation Underwriter. Preference will be given applicant who can show record of consistent results in loss ratio reduction. Write application in detail, stating age, education and experience. Address C-41 Care The National Underwriter.

## WANTED

By branch office of a large Eastern Casualty and Surety Company an experienced Liability and Compensation Inspector. Good salary to right party. Address C-51, care The National Underwriter.

## POSITION AS CLAIM SUPERINTENDENT OR MANAGER

Man, 46 years of age, 14 years experience handling P. L. and all claims involving general auto coverage. Compensation, Plate Glass and finance claims. Four years experience at home office in Chicago and Detroit in charge of the field. Have handled district Mississippi River to east coast. Desire change December first. Address C-32, care The National Underwriter.

## A Substantial Conservative

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All Forms in One Policy

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SPRINGFIELD

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Policyholders' Surplus Over \$375,000.00.



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**MARCHANT**  
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MARCHANT CALCULATING MACHINE CO.  
New York Chicago Oakland London  
Sold and serviced in all principal cities of the world.

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**The NEIL HOUSE**

The newest and now the Leading Hotel in COLUMBUS, OHIO  
Opposite the State Capitol  
655 ROOMS—65 BATHS  
RATES FROM \$3 to \$7  
EUROPEAN PLAN

The facilities for dances, luncheon, dinner and card parties, large or small, are so unusually good that Society and fraternal functions are always enjoyed.

**Headquarters OLD COLONY CLUB**  
also Republican & Democratic Committees  
GUSTAVE W. DRACH, President and Architect  
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SPECIAL FEATURES  
Club Meets in Main Dining Room and Grill Room,  
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COUNTER SERVICE  
AT POPULAR PRICES

Luncheon Clubs served in private dining rooms at 75¢ per person.

## WANT ADS

One inch One issue  
\$5.00

## COMPANY HAS FILLED IMPORTANT POSITION

### W. R. MONTGOMERY IS NAMED

Republic Casualty & Surety Announces Appointment of Its New Chicago General Agent

The Republic Casualty & Surety Company, formerly the Illinois Indemnity Company, announces the appointment of W. R. Montgomery as general agent in charge of the Chicago office. Arthur B. Brigham is in charge of the claim department and M. S. Anderson, assistant. The office is located at 720 North Michigan Ave., occupying spacious quarters on the fifth floor. The Chicago agency will record over \$100,000 in net premiums, 75 percent of which is suburban business. The new agency is equipped to give the service the agents require.

#### In Center of Territory

The Illinois Indemnity of Chicago which has moved to St. Louis, taking offices in the Paul Brown building at Olive and Ninth streets, feels that in taking the step it will be in the center of its territory. The name of the company is now changed to the Republic Casualty & Surety. As already announced the Republic Casualty Underwriters policies will be rewritten in the new stock company. The entire issue of new stock amounting to \$100,000 being sold at three for one has been oversubscribed. The financial statement of the Illinois Indemnity as of Oct. 1, showed assets \$656,633; capital \$200,000, net surplus \$127,778.

### Conference Executive Committee Meets

An executive committee meeting of the Health & Accident Underwriters Conference was held in Chicago last Tuesday. It was voted to hold the mid-winter meeting in Chicago in March, 1928. Choice of headquarters was left to a committee composed of Harold R. Gordon, executive secretary of the conference, and other Chicago members.

The Midland Casualty of Milwaukee was admitted to conference membership. Ralph E. Richman, Cincinnati, editor of the "Accident and Health Bulletin," published by THE NATIONAL UNDERWRITER, was elected an honorary member of the conference.

### Launch Seaboard Surety

NEW YORK, Nov. 2.—A new incorporation is the Seaboard Surety of New York, which proposes transacting both fidelity and surety business. The incorporators include Edward D. Livingston, formerly vice-president of the Independence Indemnity, and prior thereto an official of the Royal Indemnity, and Floyd R. Dubois of the prominent brokerage house of Frank & Dubois.

### Revised List of Industrial Surgeons

F. J. Hatch of the General Accident has issued a new edition of his list of industrial physicians and surgeons in Chicago and suburbs, with a diagram showing their location, thus making it possible to find out at once the nearest doctor in case of an emergency call. The list has been revised and brought up to date and a number of additions made to it. The original list has been of great value to insurance men in Chicago, especially in connection with compensation cases, and the new one will undoubtedly be equally well received.

### Casualty Notes

Dobbert-Portratz, Inc., Milwaukee, has been given the Wisconsin general agency for the Sun Indemnity.

Alfred Hardy, former claim adjuster in New England for the Aetna Life, Royal Indemnity and United States Fidelity & Guaranty, has joined the Allen, Russell & Allen Agency in Hartford. He will specialize in life and accident lines.

## NEW MOVE MADE ON ACCIDENT PREVENTION

### SAFETY COUNCIL ORGANIZING

Richard J. Dunn Elected to Represent Casualty Adjusters Association in Organization

At the meeting of the Casualty Adjusters Association of Chicago last Thursday evening, Richard J. Dunn, secretary-treasurer of the organization, was elected to represent the association on the safety commission which is being established by the Chicago department of education. It is the plan of the department that this commission will develop into a permanent safety commission for the city. The plan contemplates establishment of patrol systems in Chicago schools, members of the patrols to watch for violations of traffic ordinances and report the violators to the police.

Judge Henry Horner of the probate court of Cook county was the guest speaker at the meeting. He explained the workings of the court and paid some high compliments to the insurance business. He said that not once in his experience as an attorney or an adjuster for an insurance company misrepresented facts in his court. The companies, he said, he has found willing at all times to open their files on any case which comes before him for hearing. He said he finds the companies honorable in all their dealings.

So long as no permanent affliction as a result of an injury is the aftermath of an accident to a child, he said, he doesn't care how much is paid in settlement so long as everyone is satisfied. But, he said, if a permanent handicap results, he believes a substantial payment should be made.

### COMPENSATION DECISIONS GIVEN BY HIGHER COURTS

Held that a clerk with limited authority to bind his employer, under instructions of his superior, only for the usual expenses of hired equipment and its accompanying personnel, has no power, with or without the sanction of his principal, to enlarge or otherwise vary the terms of an insurance policy carried by his employer by an independent agreement with a third party, of which the insurer has no knowledge, whereby it is agreed that the clerk's employer and not the third party is to be liable in case of injuries arising out of a certain transaction. A motion picture company, which has hired equipment and men from a railroad, is not liable under the workmen's compensation act for an injury incurred by an employee of the railroad while riding home, after dismissal by the motion picture company, on a conveyance belonging to the railroad company from the location where he and the equipment had been employed in the making of pictures. Independence Indemnity vs. Industrial Accident Commission, Ct. of Appeals, Calif., 2nd Dist., Div. 2.

Held that a newsboy, who of his own volition assists a milkman in delivering milk over a milk route covering territory within which lies his newspaper route in exchange for transportation of the milk wagon and added compensation for that portion of the milk route extending beyond the news route, may not recover compensation against his newspaper employer under the workmen's compensation act for an injury occurring while employed on the milk wagon in a neighborhood not covered by the news route, although one newspaper still in the boy's possession remained to be delivered at a point toward which the milk wagon was returning. Hartford Accident & Indemnity vs. Industrial Accident Commission, Ct. of Appeals, Calif., 2nd D., Div. 1.

## DETAILS OF CASUALTY ALTER CASE STATUS

### ACCIDENT HELD NOT COVERED

Motor Falling from Wagon Kills—Beneficiary Under Automobile Accident Policy Cannot Collect

In Lavender vs. Continental Life, supreme court of Washington, 253 Pac. 595, the company issued an accident policy to one Lavender. It contained the following provision in respect to its coverage:

"Against death or disability resulting directly, independently, and exclusively of all other causes, from bodily injuries effected solely through external, violent, and accidental means and sustained by the insured . . . by the wrecking or disablement of any private automobile, motor-driven car, or horse-drawn vehicle in which the insured is riding or driving, or by being accidentally thrown from such automobile, car or vehicle."

#### Falling Motor Kills Insured

While the policy was in force the insured was moving a heavy motor from a farm wagon. The insured placed his hand on the motor to steady it while the wagon was backed toward the door of a barn. The wagon wheels dropped into a depression and the insured was thrown to the ground. At this instance the motor fell off the wagon, and striking the insured, caused his death.

On these facts the trial court held there was no liability under the policy. On appeal the higher court in affirming this judgment, said:

"We think the rule is well established that under a policy such as this plaintiff must establish that the act named in the policy and insured against was the efficient cause of death. . . ."

"It is apparent to us from the testimony in this case that the death of deceased did not result from falling from or being thrown from the wagon, but did result directly from the fact that the heavy motor fell upon him and crushed his skull. The judgment of the lower court was right, and is therefore affirmed."

Held that under the workmen's compensation law, the supreme court cannot say that it is unreasonable for an employee, who by accident has had part of one of his fingers torn off, to refuse to submit to an operation for the removal of more of his finger, although the operation would probably result in overcoming part of the disability caused by the injury to the finger. Whether the refusal to submit to an operation is unreasonable or not is a question of fact to be determined by the trier of facts.—Everitt vs. Haldeman-Julius Publishing Co., Sup. Ct., Kan.

Where claimant was injured while going from his employment, and the injury was caused by a defect in an automobile of a fellow employe, held that an award would not be allowed as the injury did not arise out of his employment. Industrial Commission of Colorado vs. Enycarst, Sup. Ct., Colo.

Certiorari proceeding to review award of Industrial Accident Commission, held that the finding that applicant originally sustained injury occurring in the course of his employment and that said injury caused a new and further disability more than two years later is supported by the evidence; that such injury was the proximate cause of his disability and that the second alleged injury was merely the occasion for him to know that he had further trouble with his back.—Associated Industries Ins. Corp. vs. Industrial Accident Commission, etc., Dist. Ct. of Appeals, Calif., 1st Dist. Div. 1.

R. H. West has been made an assistant in the bond department of the Hartford in the Cincinnati office.

# In Six States —



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If you are interested in representing a live accident and health company in Pennsylvania, West Virginia, New Jersey, Maryland, Delaware, Ohio, or the District of Columbia, address J. W. Smiley, President and General Manager.

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vice bring  
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## DETROIT FIDELITY AND SURETY COMPANY

Home Office, Detroit, Michigan

HOMER H. McKEE, *President*

OUR AGENCY DEPARTMENT WELCOMES THE OPPORTUNITY TO ASSIST PROGRESSIVE AGENTS AND BROKERS IN THE DEVELOPMENT OF THE FOLLOWING LINES OF BUSINESS

**FIDELITY BONDS:** Covering officers and employees, such as Treasurers, Cashiers, Bookkeepers, Collectors, Salesmen, Clerks and others entrusted with funds.

**SURETY BONDS:** Guaranteeing the faithful performance of CONTRACTS and other undertakings.

**LICENSE BONDS:** Required by Federal, State and Municipal authorities.

**FIDUCIARY BONDS:** Covering Administrators, Executors, Guardians, Conservators, Receivers, Trustees and other fiduciaries under court appointment.

**PUBLIC OFFICIAL BONDS:** Covering Tax Collectors, City or Town Treasurers and other City, State and Federal Officers.

**DEPOSITORY BONDS:** Guaranteeing Bank Deposits.

**COURT BONDS:** Covering Appeal, Costs, Attachments, Discharge of Attachments, etc.



## Don't Let the Fire Engines Get There First!

Unless your fire policyholders are quite exceptional, many of them are carrying considerably less fire insurance on their household goods than they really need.

Many of them probably renewed their policies for the same amounts year after year, forgetting that they have increased their furnishings from year to year.

Others, when estimating the amount of insurance necessary, may have overlooked such items as books, linen, kitchen equipment, sporting goods, clothes, which are not quite so obvious as the grand piano, or the dining room furniture, but which cost a lot of money to replace.

All of those who own

their homes may not have Rental Value Insurance to reimburse them for the rent they would have to pay for temporary quarters if their homes were damaged or destroyed by fire.

It has been said many times that a satisfied client is your best advertisement. It is obviously impossible to make an adjustment on a fire loss that will leave a good taste in the claimant's mouth if the total insurance carried is only one-fifth or one-third of the amount of the loss.

Would you feel apprehensive about any of your clients, if tomorrow's paper announced that his home had been swept by fire? If so, don't let the fire engines get there first.

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